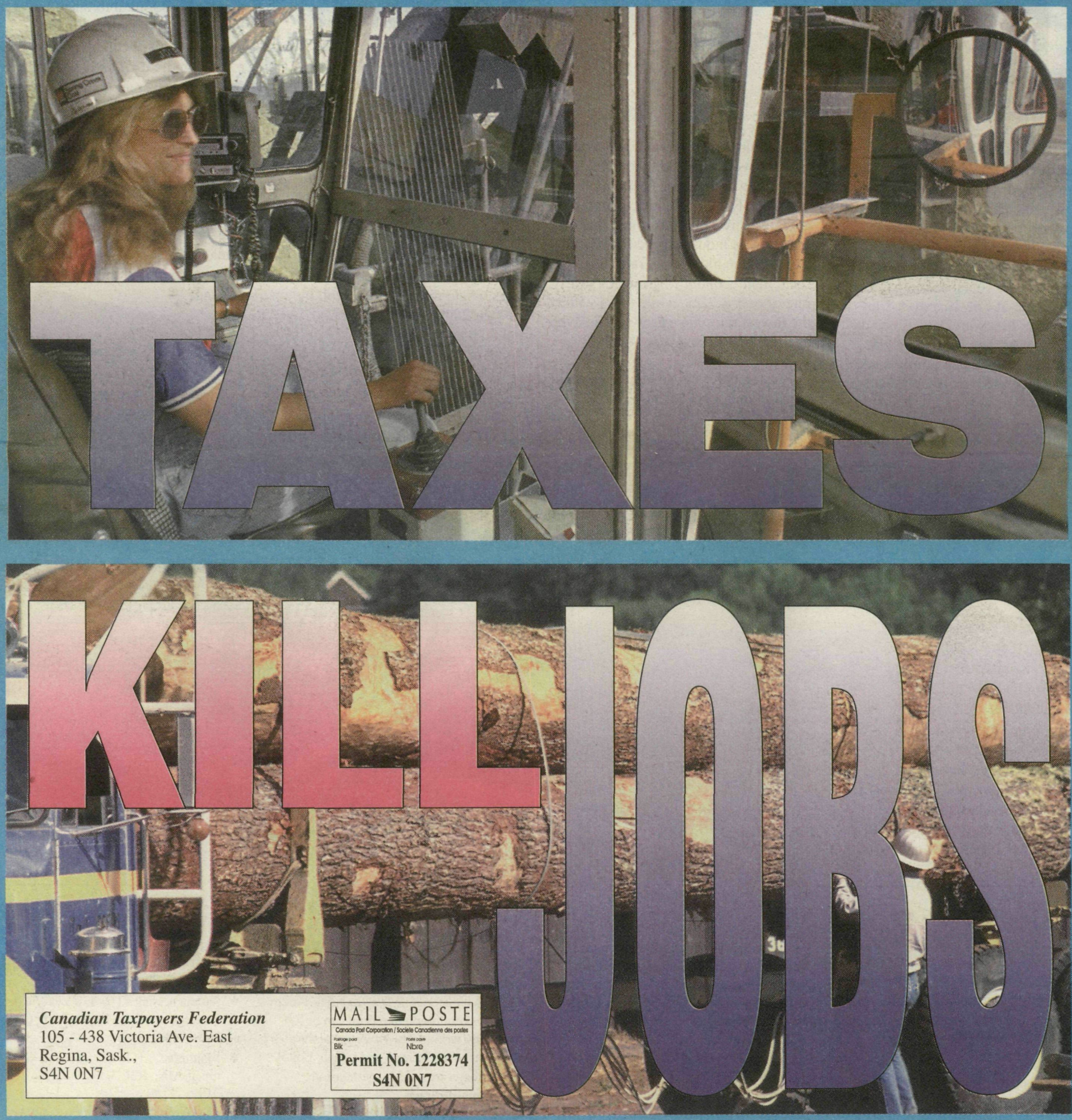
CANADIAN Taxpayers FEDERATION

THE TAXPAYER

Promoting the responsible and efficient use of tax dollars

Vol 8 no 4/96

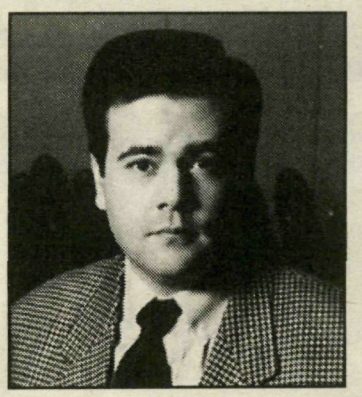


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The personal and the public



Canadian Taxpayers Federation President Jason Kenney

Most of us have an aversion to taxes because they have an immediate impact on our personal finances. We see ever-increasing taxes eating up more and more of the money we would otherwise spend on food, clothes, a new car or our children's education. As you'll see on page 13 of this issue of *The Taxpayer*, Canada's "Tax Freedom Day" is one day later this year than it was in 1995. The average Canadian family's tax bill has increased to 50% of household earnings.

So it's no wonder people feel as though they're under personal attack from big-spending, high-taxing governments. But the impact of Canada's rising tax burden doesn't stop at the ring of the cash register. Our growing tax load also has what economists like to call negative *macroeconomic* effects. In other words, apart from hitting your pocket book, rising taxes cost people their jobs, increase unemployment and welfare payments, force businesses to close-up shop, drive wealth out of the country, hurt international sales, and spur illegal activities (such as smuggling).

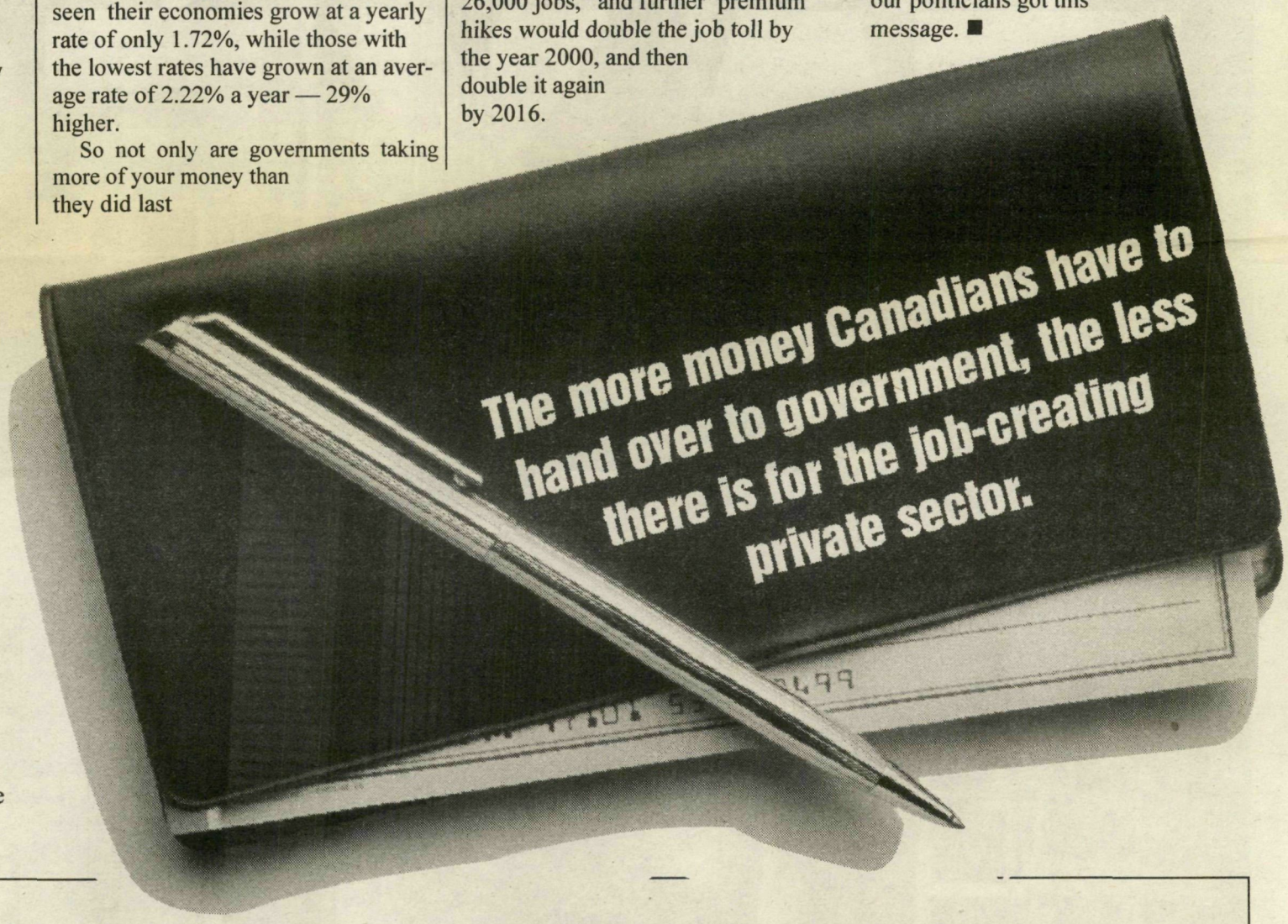
In the following pages, you'll see evidence from leading economists, think-tanks, and government agencies which have concluded that increasing taxes are a drag on the economy. For instance, Richard Vedder, a professor at Ohio University, has found that of the 20 most industrialized nations, the five with the highest tax rates have seen their economies grow at a yearly rate of only 1.72%, while those with the lowest rates have grown at an average rate of 2.22% a year — 29% higher.

So not only are governments taking more of your money than they did last year, they're also restricting the amount of money you would otherwise be earning if lower taxes were in place.

But if you think you've got it bad, what about that family member or friend you know who just lost their job due to company "downsizing?" Chances are the company didn't want to lay-off its employees — it probably had no choice. Why? More money needed for higher taxes means less money for payroll. According to the federal Department of Finance, "the increases in compulsory contributions (also known as payroll taxes) to [the Canada Pension Plan] from 1986 to 1993 reduced employment by nearly 26,000 jobs," and further premium hikes would double the job toll by the year 2000, and then double it again by 2016.

Yet despite the bureaucrats' warnings, Jean Chretien and the premiers are considering a proposal to hike payroll taxes by as much as $10 billion in the next few months. In addition to the massive job losses predicted by Finance, this new tax will end up costing the average individual taxpayer and his or her employer another $726 a year in taxes.

The bottom line is that escalating taxes have both a personal and a public consequence. The register goes well beyond limiting your already meager personal resources. The pain is felt by millions of other Canadians. It's about high time our politicians got this message. ■



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Information:

The Canadian Taxpayers Federation (CTF) is a federally incorporated, non-profit organization. Our three-fold purpose is: 1) To act as a watch dog, and to inform taxpayers of government's impact on their economic well-being; 2) To promote responsible fiscal and democratic reforms, and to advocate taxpayers' common interests; 3) To motivate taxpayers to exercise their democratic responsibilities. Founded in 1989, the Federation is independent of all political or institutional affiliations and is entirely funded by its associate membership fees and free-will contributions. *The Taxpayer* is published six times a year and is mailed to the CTF's associate members. For more information write: the Canadian Taxpayers Federation, #105 - 438 Victoria Ave. East, Regina, Sask., S4N ON7, or phone our toll-free number: 1-800-667-7933. All material in *The Taxpayer* is copyrighted. Permission to reprint can be obtained by writing *The Taxpayer* at the address above. Printed in Canada. Editorial cartoons are used by permission.

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Chretien boards fast train to higher taxes

Mega-project plan smacks of patronage and politics

Reports emerging from Ottawa recently suggesting the federal government is considering a plan to spend $18 billion on a high-speed-train system between Windsor and Quebec City should concern every Canadian.



The $18 billion high-speed train being proposed between Windsor and Quebec City smells of politics and patronage.

"This latest scheme has absolutely nothing to do with fiscal responsibility and everything to do with buying votes," Kenney said. "The only people who could possibly benefit from such a massive expenditure would be a few pork-barrel politicians and their favourite companies."

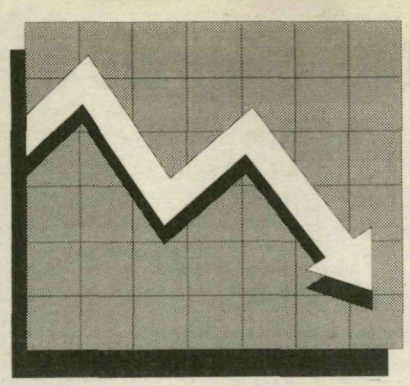
The Federation pointed out that a feasibility study sponsored by Ottawa and the provincial governments of Ontario and Quebec has concluded that a high speed train would only be cost-efficient if governments financed at least 70% of the total project costs. "Only Ottawa would ask taxpayers to assume billions more in debt with no evidence of any return on this project," Kenney responded.

The CTF questioned the federal government's grounds for considering the idea. "If Mr. Chretien thinks he can employ old-style spending tactics in order to shore up support for federalism in Quebec he's got another thing coming."

In fact, Kenney asserted that building a high-speed train between Ontario and Quebec might actually hurt national unity. "Jean Chretien would be asking Westerners and Maritimers to pay through the nose for a service most of them would never use. I don't think Canadians outside the 'golden triangle' will take kindly to this idea."

He pointed out that Chretien's examination of the high-speed train proposal contradicts Finance Minister Paul Martin's stated policy of getting out of megaprojects. "Who is in charge here?" asked Kenney. "Is it Paul Martin, who seems to have figured out that mega-projects are white elephants, or is it the P.M. who has never met a government subsidy he didn't like." ■

Taxpayers slam proposed $10-billion tax hike



The increase would have a devastating impact on the Canadian economy.

Federal and provincial finance ministers have proposed that Ottawa raise Canada Pension Plan (CPP) payroll taxes by 79% or $9.9 billion, a move that could prove disastrous to the economy, according to the Canadian Taxpayers Federation (CTF).

The CTF's Research Director, Mitch Gray, said that raising CPP contribution rates from 5.6% to 10.0% of earnings, as the finance ministers suggested, could see an average individual taxpayer and his employer paying $726 more a year in taxes.

"Given Canada's already high tax burden, it's outrageous that the country's finance ministers are conspiring to hit Canadians with a whopping $10-billion tax increase," Gray said.

Gray pointed out that numerous studies, including those conducted by the federal Finance department, indicate CPP rate increases have reduced employment in the past and will do so in the future. "CPP rate hikes kill jobs - period. This is one scheme guaranteed to increase unemployment," Gray said.

Gray further suggested that the federal and provincial governments are behaving irrationally in their jobs policy. "Ottawa and the provinces want to spend more money on infrastructure make-work projects, while simultaneously killing jobs with massive CPP payroll tax hikes," Gray remarked.

The Federation repeated its recommendation that instead of raising taxes, federal and provincial governments should phase out the CPP altogether and institute a Mandatory Retirement Savings Plan (MRSP) system. Such a plan would require employees to make mandatory contributions to an RRSP type of fund controlled by the employee, but inaccessible until retirement.

"Such a fully-funded, defined-contribution, privately-managed plan would correct the problems inherent in the CPP and produce larger pensions, in relation to contributions, than the existing plan," Gray said.

"If the country's finance ministers opt for tax increases over wholesale reform of the CPP, Canadians can expect lower employment, stagnant economic growth, and lower after-tax incomes. These endless tax increases have to stop." ■

TAX HITS

Severance scam continues

In the spring of 1995, the federal government instituted a program to reduce the size of the federal bureaucracy. It included lucrative severances and pension payouts. The program was so good that employees were lining up to get out. An audit of the Department of Fisheries uncovered a unique problem. The Department had 20 vacant positions that were considered unnecessary and were to be eliminated. However, when employees caught wind of this, 20 of them transferred over to the positions before Ottawa could eliminate them. The federal government was now forced to pay out a severance to these employees which amounted to nearly $60,000 each.

Controlling the controllers

Taxpayers will be paying severance packages, averaging $18,000 each, to nearly 6,400 government employees who never lost their jobs. Air traffic controllers who will see their positions transferred over to private sector corporations, will receive severance one day from the federal government and the next day they will start with their new employers. Unfortunately, this is not the only time air traffic controllers have taken advantage of taxpayers. Two years ago, an internal audit discovered that a number of air traffic controllers, who earned between $30,000 to $70,000 a year, had also been padding their pockets through excessive over-time payments amounting to nearly $80,000 a year. According to the auditors, controllers would call in sick and still receive their pay, which then forced the government to call in others to work overtime to replace them.

Only in Saskatchewan

The Saskatchewan government has just found out it has a surplus. Unfortunately, it's not the budgetary type. The provincial government, courtesy of the Health Department has a surplus of 1,000 wooden penises. They were purchased in 1994 at a cost of approximately $4,000 to be used in the provincial government's health curriculum. However, nobody wanted them and only 49 were actually used. The red-faced provincial government is trying to talk the suppliers into taking the items back or may consider selling them. Of course, they probably wouldn't be able to sell them to anyone under 18 years of age.

Welfare for the rich

The British Columbia government has always prided itself in providing the ultimate in universal social programs. This was confirmed recently when it was discovered that a Vancouver couple had been receiving benefits despite the fact that they owned a restaurant and even had a second home, which according to reports was worth over a half a million dollars. They had been receiving welfare for 12 years.

It's no laughing matter

by Dean Smith

Faced with some of the highest taxes in the world and out-of-control government spending, Canadians are in a dour mood, and this hasn't gone unnoticed by the federal government.

Looking for nouveau ways to cheer Canadians up, Ottawa has resorted to subsidizing a number of humorous ventures. While taxpayers have thrown millions of dollars into these barrels of laughs, few will actually appreciate the humour of this waste of tax dollars.

The National Circus School

The Montreal-based National Circus School has been in operation for 14 years and provides training in the circus arts. (No, it's not being used as a training ground for politicians.) The school has 10 instructors and five administrators for its 30-odd students which has included individuals from Europe, Asia and Australia. Tuition is only $1,600 and since it's not enough to pay the bills, Ottawa commits hundreds of thousands of dollars to help keep the doors open.

This year Canadian Heritage will give $250,000 for its operating costs or nearly $8,000 per student. Once taxpayers realize this money has subsidized students from outside the country, they will be rolling on the ground in laughter. The Department also provided over $1.1 million in fiscal years 1989-90 and 1990-91 to help purchase capital assets. In total, Canadian Heritage has given the school over $3 million in financial assistance since 1989-90.

In addition, the Federal Office of Regional Development provided the school with $95,680 this year "to improve the national and international notoriety of its services." But perhaps the school's biggest claim to fame is that it provides training to personnel from Cirque du Soleil, which Ottawa has also subsidized.

The Cirque du Soleil

With offices in Montreal, Las Vegas and Amsterdam, the "Circus of the Sun" has gained an international reputation for its unique performances. Founded 12 years ago, over 10 million people have watched its shows around the world.

Ottawa has provided millions of dollars in taxpayer funding to the Cirque which includes nearly $4.8 million in 1994-95 given under Ottawa's much maligned infrastructure program. This year, circus employees will finally be able to clown around under one roof thanks to the help of taxpayers. (Only federal bureaucrats would classify a new circus facility as infrastructure.) In addition, Canadian Heritage has contributed over $1.5 million since 1985 for equipment purchases and operating costs.

With world-wide revenues reported at about $100 million, many question Cirque de Soleil's need for government assistance.

Just for Laughs Comedy Festival

The highly successful "Just for Laughs" comedy festival is held each summer in Montreal. Featuring stand-up comics from around the world, it draws nearly half-a-million people each year. The festival is operated by Groupe Rozon, a Montreal-based entertainment group specializing in comedy, and has been held every year since 1983.



Despite its success, the festival still visits the tax trough. Last year, it received $200,000 from Ottawa, through Canadian Heritage. In 1993-94, Ottawa gave it $590,000, $435,000 in 1992-93 and $393,734 in 1991-92 under a variety of programs.

Unfortunately, Groupe Rozon also received government funding for yet another humorous adventure.

Museum of Humor

Nobody got the joke, but nevertheless, on April Fool's Day in 1993 the Museum of Humor opened with much fanfare in Montreal. The creation of the Montreal-based Groupe Rozon, federal tax dollars again played a big part in getting the museum started.

Canadian Heritage gave it $50,000 for a feasibility study and another $5.5 million in 1992-93 for the establishment of the museum. The Quebec government pledged $5.5 million and the City of Montreal $2.5 million.

However, the feasibility study may have been a waste of money. The first year's attendance was just half the anticipated 250,000 people and resulted in the closing of the museum in early 1994.

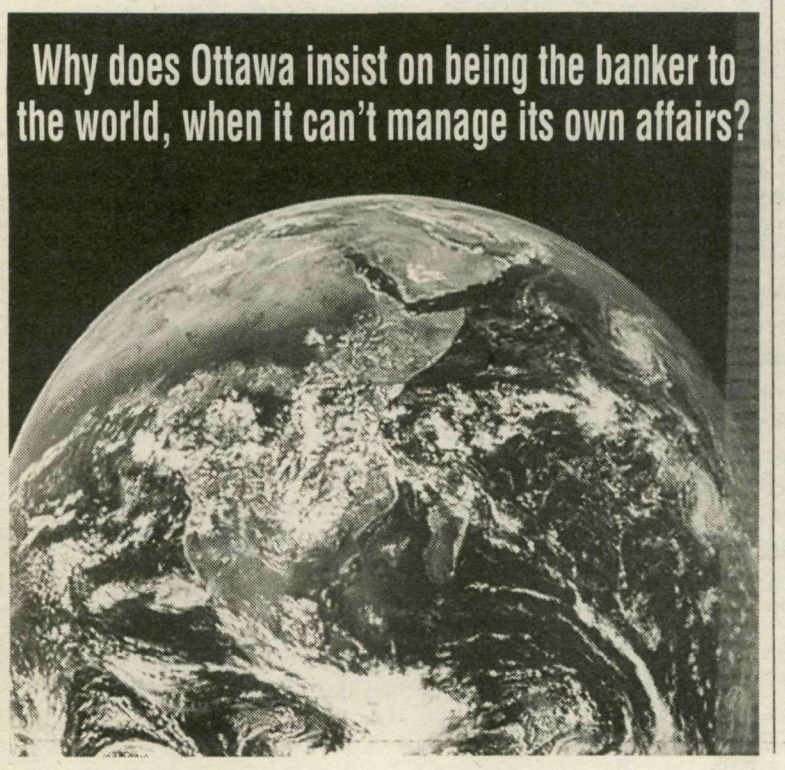
The museum was later re-opened in July 1994 by a group of Montreal humorists. ■

Why is Ottawa writing off debts of nations capable of paying?

by Dean Smith

Since 1991, the federal government has forgiven nearly $1.5 billion in loans to 13 foreign countries. Unfortunately, it seems that some of those countries could have actually paid off their debts.

Leading the pack was Poland, where Canadian taxpayers graciously forgave over $1.1 billion. Egypt came in second at $199 million and the country of Benin rounded off this baker's dozen at $241,000. Many of the write-offs were provided via payments that Ottawa made to the Canadian Wheat Board and the Export Development Corporation which in turn wrote off the respective debts.



This debt reduction was part of Canada's support of the Paris Club, which was started 38 years ago in response to Argentina's debt crisis, and has since set criteria by which countries can refinance their debt. As a member country, Canada is obligated to honour the decisions made by the Club.

The two countries which received Canada's biggest write-offs, Poland and Egypt, don't fall under the Paris Club's criteria for debt write-off, i.e. inability to repay. In fact, according to the Department of Foreign Affairs, the 50% debt write-off granted by the Paris Club was outside the organization's or legal mandate. So why did Canada go along with the decision? Who knows? The write-downs were provided for "geo-political" reasons. In other words, the loan reductions had nothing to do with the country's ability to repay but other vague reasons known only to bureaucrats and politicians.

These debt reductions don't represent the full extent of Canada's generosity. By the end of 1990, the federal government had already forgiven nearly $1.15 billion to 41 countries in Africa, South America, the Caribbean and Asia.

Over the years, Canada's Auditor General, Denis Desautels, has taken Ottawa to task for refusing to acknowledge the high risk involved in lending money to other nations. The federal government holds the position that monies lent to other countries will always be paid back. But Desautels claims that many of these countries will not repay their debts, a fact that the federal government should acknowledge.

Ottawa write-offs of foreign debt since 1991

Via Paris Club debt agreements

Poland	$1,129,488,546.46
Egypt	$199,975,608.26
Cote d'Ivoire	$63,440,624.14
Zambia	$13,979,708.57
Cameroon	$13,474,478.33
Senegal	$2,274,172.70
Honduras	$2,100,007.37
Madagascar	$869,492.18
Tanzania	$867,204.54
Zaire	$725,006.16
Ethiopia	$479,268.12
Guyana	$350,612.94
Benin	$241,007.18
Total	$1,428,492,736.96

Source: Department of Foreign Affairs

Doing so would make Ottawa's debt considerably higher than the $588 billion calculated effective August 31, 1996. How much higher? Well, as of March 31, 1994, the total amount of debt and guarantees held by the federal government on behalf of foreign countries was $38.6 billion.

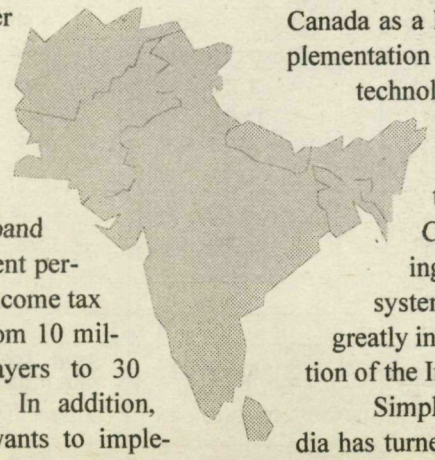
If the federal government is writing off the debt of countries that really don't need the help, what hope do we have of collecting the debt owed to Canada by poorer nations that do? But the real question is: why are we engaging in this risky lending when we're borrowing it ourselves? ■

Canada's greatest export?

by Dean Smith

The word taxes has almost become synonymous with the maple leaf and mounties. So perhaps, it's not surprising that the federal government has finally been able to export it. Yes, it's true, Canada will soon be selling its expertise on taxation.

India has expressed an interest in learning more about administering taxes more efficiently and has turned to Canada for help. With a population of over 900 million, India hopes to expand its current personal income tax base from 10 million payers to 30 million. In addition, India wants to implement a Value Added Tax similar to Canada's much-heralded GST.

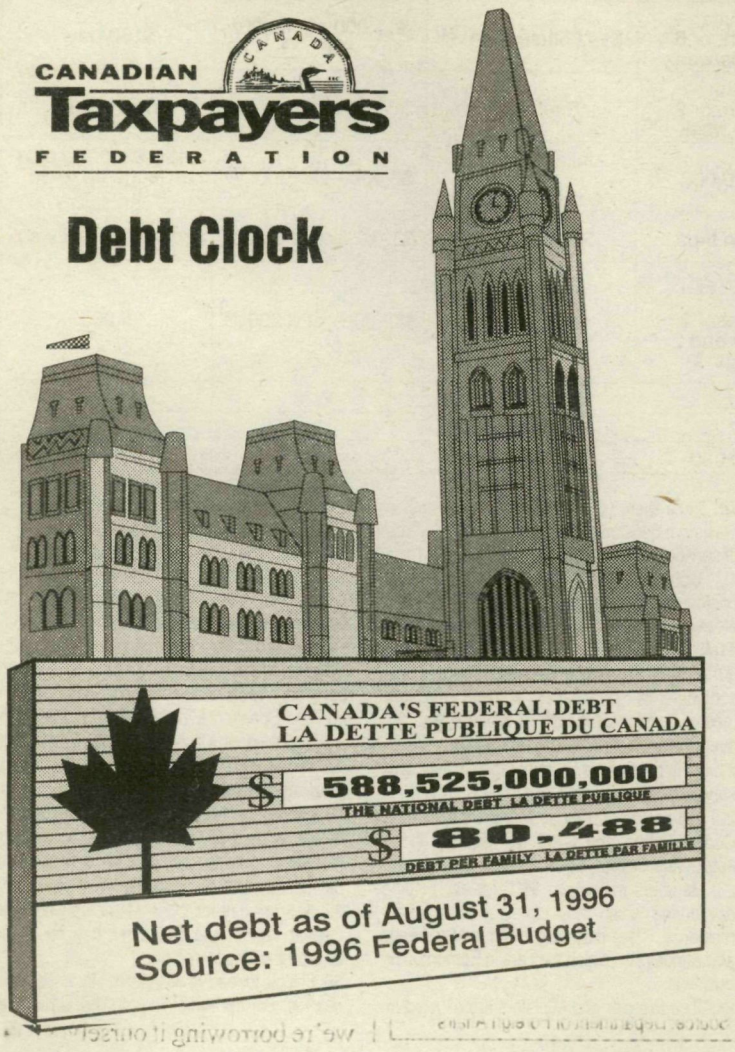


In typically Canadian fashion, we won't actually charge for our country's greatest export. Despite the fact Ottawa's expertise could potentially raise billions of dollars in additional tax revenue for the Indian government, Canadian taxpayers are the ones who will actually pay for the advice. The federally-funded Canadian International Development Agency (CIDA) will give India $8.5 million over five years to help provide the country with our expertise.

A CIDA news release stated "The Indian Revenue Service recognizes Revenue Canada as a leader in the implementation of information technology reforms, and senior planners feel that sharing the experience of Canadians and being exposed to their systems would assist greatly in the implementation of the Indian agenda...."

Simply interpreted, India has turned to the world's experts on taxation, REVENUE CANADA.

Not surprisingly, less than a month after the announcement, the India government was resoundingly defeated at the polls. ■



Guest column

If gas taxes are user fees, why are our highways crumbling?

by Brian Hunt - Brian is with the Canadian Automobile Association

When Michael Wilson first introduced tax reform (which we now know as the GST) in 1987, he said: "The combination of a narrow tax base and high tax rates is unfair and distorts the natural and efficient operation of the economy." He went on to promise that the GST would replace the narrow-based taxes.

The excise tax on gasoline is still here, and bigger than ever. This tax is narrow-based, as it applies only to a single product. This tax also has a high rate at 10 cents per litre, a mark-up of about 30 percent on the pre-tax base price, in addition to GST, PST and provincial gas taxes.

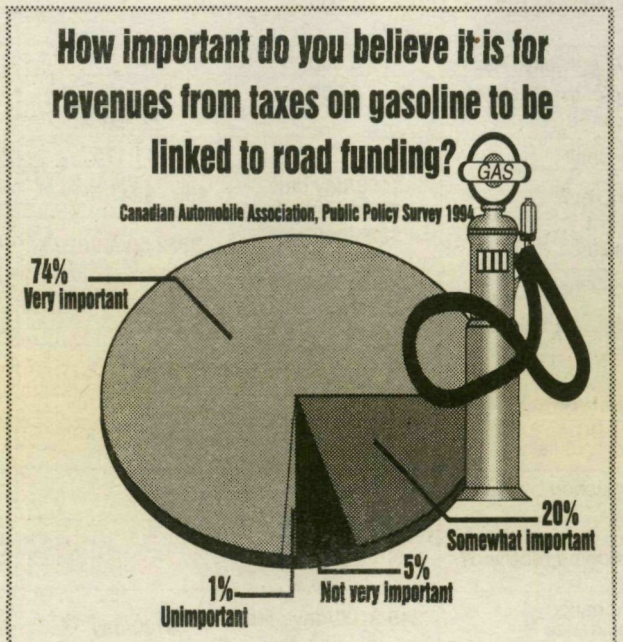
It is not the high rate nor the narrow base that makes the federal gas tax objectionable; it is the combination of the two.

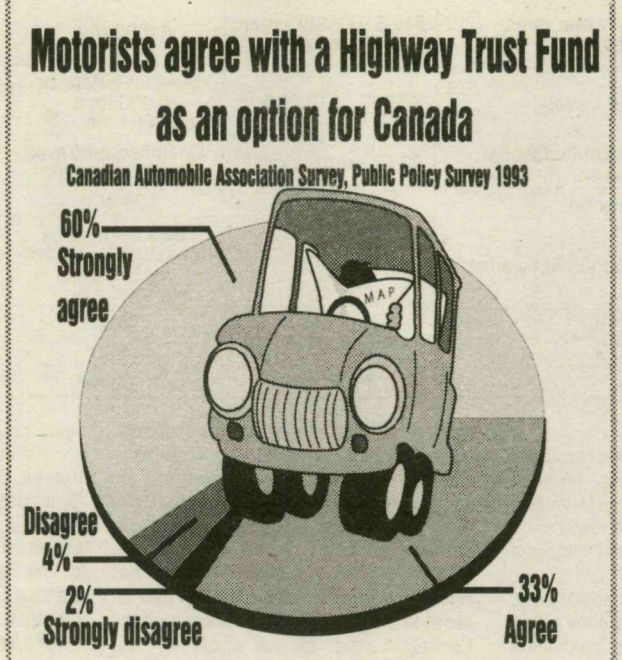
The narrow base makes it a user fee. This tax applies only to gasoline used on highways (farm machinery and non-transportation uses are exempt).

The high rate makes it excessive. Taxes on gasoline place $5 billion each year into federal coffers. Yet the federal government invests just 4 percent of that in highways. Provincial governments do better, but still spend much less on roads than they collect in gas tax revenue. I call this 'highway robbery.'

Motorists want gas taxes and road funding linked

The Canadian Automobile Association asked its members: "How important do you believe it is for revenues from taxes on gasoline to be linked to road funding?" Three-quarters of CAA members said it is very important, and most of the remainder said it is somewhat important.





In a previous survey, 93 percent said they agree with the idea of a U.S.-style trust fund, into which all gas tax revenue would go for exclusive use on roads.

It comes as no surprise that Canadians want their gas taxes placed in a trust fund. Motorists have watched gas taxes soar over the past decade. Frustrating congestion, rough rides, needless deaths and injuries, and higher-cost consumer goods are all they have to show for their increased gas taxes. I call this 'highway debt,' a debt that will have to be repaid sooner or later - unless we decide to abandon our highways altogether.

CAA wants funding for the National Highway System

CAA believes that dedicating "user fee taxes" makes common sense. Sales taxes, corporate taxes and income taxes are all general taxes (income tax applies to any type of income, for example), and their revenue is best allocated to general uses. Taxes on transportation fuels are user fees, and it makes sense for them to be applied to their source.

As a start, CAA has asked the federal government to allocate two cents from the existing ten cent excise tax on gasoline to match provincial commitments to rehabilitate the national highway system (which is 3 percent of Canada's roads, carrying most of the tourism and goods shipment traffic).

As Ontario's provincial auditor noted, a crumbling highway network is part of government debt, a debt that grows even faster than fiscal debts. Sooner or later, we have to pay: sooner in small amounts or later in much larger amounts. Dedicating gas tax revenue to roads would help eliminate this debt and direct tax revenue in a more effective and democratic manner. As long as governments can practice slight-of-hand tricks with tax revenues, neither the 'highway debt' nor the fiscal debt are likely to be eliminated. ■

1996 Breakdown of Salaries & Benefits

The following chart represents the current salaries and benefits as of June 30, 1996 of Federal and Provincial

	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick
Annual Indemnity	$32,812	$36,420	$55,000	$57,065	$78,007	$63,469	$36,485
Expense Allowance (tax free)	16,406	18,210	4,500		6,958	11,617	14,594
Additional Indemnities:							
Premier/Prime Minister	45,000	56,865	49,680	40,400	61,860	66,642	48,866
Deputy Premier			39,744				
Speaker	39,000	44,700	29,808	21,210	24,338	47,602	24,434 [2]
Deputy Speaker	19,500	22,350 [3]	9,936	7,070	11,545 [4]	22,214	7,574 [5]
Minister with portfolio	39,000	44,700	34,776	25,250	32,997	47,602	32,578
Minister without portfolio	25,000	19,869		20,200	14,977		24,434
Leader and Deputy of Official Opposition	39,000	44,700	34,776	25,250	43,060	47,602	32,578
Leader - other parties	19,500	19,869	17,390	20,200	27,848	22,214	12,000
House Leader - Government				7,070		47,602	
House Leader - Gov't (deputy)							
House Leader & Deputy - Official Opposition	6,000	9,500	7,949	5,050	14,275 & 7,021	22,214	
House Leader - other parties	3,000	7,600		4,040	12,169		
Whip/Asst. Whip - Government	3,000 - 6,000	5,700 - 7,600	3,974 - 7,949	5,050	7,021 - 14,275	9,520 - 22,214	1,500
Whip/Asst. Whip - Official Opposition	6,000	4,750 - 5,700	3,974 - 7,949	4,040	7,021 - 10,921	9,520 - 19,041	1,500
Whip/Asst. Whip - other parties	3,000	4,750	3,974	3,030	6,397 - 9,829	9,520	500
Caucus Chair - Government	6,000				9,751	15,867	
Caucus Chair - Official Opposition	6,000				9,751		
Caucus Chair - Other parties	3,000				8,815		
Secretary of State							
Parliamentary Secretary/Legislative Ass't	6,000			3,030	11,155	12,694	
Deputy Chair Committee of the WH/Ass't	3,000			5,050	8,503		
Committee Chair		22,350 [3]			10,921		
Committee Deputy/Vice Chair		11,175	3,974		6,241		
Committee Member Per Diems	$100/day plus expenses [8]	$95 - $247/mtg. [8]	$75/day plus travel and expenses [9]	Actual expenses [8]	Actual expenses	$125/day [10]	$120 - $200/day plus mileage [11]
Standing Committee Chair	$225/day plus expenses [8]	$332.50/mth. [14]	3,974	3,030 [15]		15,867	
Standing Committee Vice-Chair				2,525 [17]		12,694	
Standing Committee Deputy Chair						6,347	
Pension Calculation formula	None [58]	None	RRSP	RRSP	RRSP	1.75% X Annual salary X (years of service max. 25)	2% X average salary of 3 best years of service X years of service
Pension Maximum payout as % of salary			Based on contributions	Based on contributions	Based on contributions	44%	80% [18]
Pension Contribution rate (matched by the government			9/11/13% [19]	7%	5%	9%	9%/6% [20]
Pension How soon can pension be received?			On retirement or defeat	On retirement or defeat	On retirement or defeat	Reduced by 3% a year if taken before age 60	Minimum 8 years of service
Sessional Living/Accommodation Allowance - when main residence is outside capital city	$45-$100/day - first 60 days [22]	$100/day [23]	$60/day or receipts	$10,908/year + $514/mth. or 6 round trips/week	$14,654/session [24]	$11,000 - $14,000/ year [25]	$100/day
Intersessional Allowance - when main residence is outside capital city	$45-$100/day - max. 20 days [29]	$1000/mth.	See below	$103/mth. - $514/mth. or 2 round trips/ week [30]	See below	See below	See below
Travel Allowance - General travel	$2,900 - $13,200 [34]	5 return airfare or 25,000 kms. - 60,000 kms. [35]	20,000 kms. - 45,000 kms. [56]	$3,000 - $10,000 [34]	Unlimited travel within constituency [36]	$5,400 - $20,500 [37]	$120-$200/trip plus mileage up to 30 trips [53]
Travel Allowance - Constituency/Capital while legislature is in session	52-57 return trips [41]	Unlimited air travel plus 52 return trips	52 return trips	52 return trips	52 return trips	52 - 62 return trips [42]	1 return trip per week
Constituency Office Allowance	$38,664 [45]	$39,462	$14,376 [46]	$36,972	$201,084 [47]	$22,800 - $26,200 [48]	5,000
Communications/Promotional Allowance	$7,120	.92 x number of constituents divided by 1.5. plus promotional [51]	Postage X 3 X number of constituents	The cost of 2 mailings and 2 printings [52]			
Benefits - Health, Dental, Life	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of Seats	75	83	58	57	130	125	55
MLAs and MPs per capita	1 : 51,140	1 : 33,430	1 : 17,590	1 : 20,030	1 : 86,230	1 : 58,940	1 : 13,850

FOOTNOTES

1. Dependent upon whether the member resides in Whitehorse or in a rural area. Ministers, regardless of where they reside, receive the rural members expense allowance of $15,601.
2. Receives an annual non-taxable allowance of $1,000
3. Assumes the position of Committee Chair, only one salary is paid for the two positions.
4. Assumes the position of Chair Committee of the Whole House, only one salary is paid for the two positions.
5. Receives an annual non taxable allowance of $500.
6. Non-member of Privy Council receives $34,900, Member of Privy Council receives $46,645.
7. No political party system in place in the N.W.T.
8. Members are only eligible for this payment when the House is adjourned.
9. Members only receive payment when the House is adjourned. If the member is required to travel from his/her constituency, they are also reimbursed for travel and living expenses, to a maximum of $60 per day without receipts.
10. Members are only eligible for this payment when the House is adjourned. No expense allowance is provided.
11. Only eligible for this payment when the House is adjourned. Amount of allowance is dependent upon where the member resides. Cabinet Ministers are not eligible for this payment.
12. For committee members who are required to travel in order to attend meetings.
13. Payable only to ordinary members when they attend a meeting when the Assembly is not in session. If a member lives within commuting distance he/she is paid $57 per day for expenses, for members who do not live within commuting distance the payment is $200 per day plus travel expenses.
14. Committee Chairmen receive both a chairman's and member's allowance. This figure applies to Chairman of the following committees: Standing Committee on the Alberta Heritage Savings Trust Fund Act, Standing Committee on Private Bills, Standing Committee on Public Accounts, Standing Committee on Legislative Offices, Special Standing Committee on Members' Services. Chairmen of the Standing Committees on Law & Regulations, Privileges and Elections, Standing Orders & Printing, and Public Affairs may claim additional allowances ranging from $33.25/meeting to $99.75/meeting, depending on the length of the meeting.
15. $127 per meeting, up to $3,030 per year.
16. The Law Amendments chairpersons receive an annual payment of $1,500; the chairpersons of the Private and Local Bills Committee, Industry Committee and Public Accounts Committee each receive $1,000 per annum; all other Standing Committee Chairpersons receive an annual payment of $500.
17. $127 per meeting, up to $2,525 per year.
18. Since there is no limit to years of service maximum pension payout is based on 40 years of service.
19. Contribution and government matching contribution based on age. Those members elected when under 41 years of age are at 9%, 41-49 years of age are at 11%, 50+ are at 13%.
20. In New Brunswick Cabinet Ministers only contribute 6% of salaries. Cabinet Ministers receive pension based on 2% X average salary over 3 years X number of years served.
21. In the case of the Premier, age plus years of service must equal only 55.
22. $45 per day for those Members within the Capital region and $100 per day for those outside the Capital region.
23. Members may claim $100 for each sitting day during which they maintain a temporary residence. They may also claim for Saturdays and Sundays on which they are in Edmonton on business.
24. The Premier and Ministers are allowed an extra $1,000 per month.
25. All members are entitled to a maximum of $11,000. The President (Speaker) of the National Assembly, the Prime Minister, the Leader of the Official Opposition, the Government House Leader, the Opposition House Leader, the Government and Opposition Whips, and the caucus chair of the government party each receive an additional $3,000.
26. The Speaker, Ministers and the Leader of the Opposition are only entitled to $75 per day.
27. The Members of the Executive Council are presumed to reside in the Capital city.
28. If a member lives within commuting distance he/she is paid $57 per day for expenses, for members outside commuting distance the payment is $200 per day plus travel expenses.
29. $45 per day for those Members within the Capital region and $100 per day for those outside the Capital region.
30. Eligible to receive $514 for two intersessional months. For the remaining months, a member

for Federal and Provincial Politicians

politicians for 1996. Figures are maximum payouts unless otherwise noted. Source: Provincial Governments

		Nova Scotia	Newfoundland	Prince Edward Island	Yukon	Northwest Territories	Members of Parliament	Members of Senate
Annual Indemnity		29,226	38,028	30,044	31,202	42,970 - 55,413 [57]	64,400	64,400
Expense Allowance (tax free)		14,613	19,014	9,105	13,622 - 15,601 [1]		21,300-28,200 [34]	10,100
Additional Indemnities:								
Premier/Prime Minister		50,452	54,943	45,253	28,971	62,975	69,920	
Deputy Premier								
Speaker		35,943	39,834	17,205	7,049	57,916	49,100	31,300 + 4,000 allowance
Deputy Speaker		17,977	19,917	7,603	5,287	5,580	25,700	
Minister with portfolio		35,943	39,834	34,738	21,147	57,916	46,645	
Minister without portfolio				4,694				
Leader and Deputy - Official Opposition		35,943	39,834	34,738	21,147		49,100	23,800 & 9,400
Leader - other parties		17,977			4,229		29,500	
House Leader - Government		5,000		4,694				34,900-46,645 + 2,000 allowance [6]
House Leader - Gov't (deputy)		3,000						14,900
House Leader - Official Opposition		2,000	19,917	3,287			23,800	
House Leader - other parties							10,100	
Whip/Ass't Whip - Government		$85 per member	6,000	2,817			7,500 - 13,200	7,500
Whip/Ass't Whip - Official Opposition		$85 per member	6,000	2,817			7,500 - 13,200	4,800
Whip/Ass't Whip - other parties		$85 per member					7,500	
Caucus Chair - Government		$85 per member				1,860 [7]		
Caucus Chair - Official Opposition		$85 per member						
Caucus Chair - other parties		$85 per member						
Secretary of State							34,984	
Parliamentary Secretary/Legislative Ass't							10,500	
Deputy Chair Committee of the WH/Ass't						3,255	10,500 / 10,500	
Committee Chair								
Committee Deputy/Vice Chair								
Committee Member Per Diems		$80/day plus expenses and travel	$140/day plus travel [12]		Actual expenses	$207/mtg. plus $57/day - $200/day plus travel expenses [13]		
Standing Committee Chair		$500 - $1500 [16]	$100/day up to $3,000/year [8]			$2,790 plus $77/mtg.		
Standing Committee Vice-Chair			$75/day up to $2,250/year [8]					
Standing Committee Deputy Chair						$77/mtg.		
Pension	Calculation formula	5% X average salary of last 3 years X years of service max. 15 years [54]	Salary based on average of 3 best years. 5% for each of the first 10 years, 4% for each of the 5 years thereafter, 2.5% for each of the next 2 years	2% X average salary of 3 best years of consecutive service X years of service	5% X average salary of 4 best years of consecutive service X years of service max. 15 years	5% X average salary of 4 best years of consecutive service X years of service max. 15 years	4% X average salary of 6 consecutive best years of service X years of service max. 19 years	3% X average salary of 5 best consecutive years of service X years of service max. 15 years
	Maximum payout as % of salary	75%	75%	80% [18]	75%	75%	75%	45%
	Contribution rate (matched by government)	10%	7%	8%	9%	9%	9%	7%
	How soon can pension be received?	55 years of age	Age + years of service = 60 min. 5 years of service [21]	60 years of age or age + years of service = 80	After 6 years of service	After 6 years of service	55 years of age	55 years of age
Sessional Living/Accommodation Allowance - when main residence is outside capital city			$75 - $115/day [26]		$4,400 [27]	$57/day or $200/day [28]	$6,000 [44]	
Intersessional Allowance - when main residence is outside capital city		$55/day plus mileage and expenses [31]	25 return trips	3 round trips per month [32]	$8,800 + 48 return trips [34]			
Travel Allowance - General Travel		$2,300-$3,400 [38]			$2,200 - $4,400 plus 12 - 24 return trips [39]	Living allowance $57/day or $200/day [40]		
Travel Allowance - Constituency/Capital while legislature is in session		52 trips	1 round trip per week	1 round trip per day [32]	Actual expenses [43/55]	Actual expenses [55]	64 round trips	64 round trips + $171/day for expenses
Constituency Office Allowance		$31,200	$7,500	Work out of legislature	Work out of legislature	$16,000 - 30,000 [49]	$171,700 - $177,600 [56]	$50,000 for research budget [50]
Communication/Promotional Allowance					4 mailings a year		4 mailings per year	
Benefits - Health, Dental, Life		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of Members		52	48	32	17	24	295	104
MLAs & MPs per capita		1 : 18,100	1 : 11,900	1 : 4,290	1 : 1,830	1 : 2,760	1 : 74,830	

may claim a maximum of $103 per month.

31. This allowance is for outside members who are in Halifax for business reasons other than to attend a sitting of the House or one of its committees. Members holding recognized positions with Executive Council and Leaders of Opposition Parties are not eligible for this expense.

32. The Premier and Cabinet Ministers have access to a government car and credit card (for gas, repairs, etc.), there is no maximum limit for their travel expenditures.

33. The Members of the Executive Council are presumed to reside in the Capital city.

34. Allowance based on location and size of constituency.

35. Only for regularly scheduled flights. Kms depends on the size of constituency.

36. Members are also allowed 12 return trips plus expenses for up to six nights within Ontario.

37. Allowance dependent upon classification of constituency.

38. Each member of the House who is not an outside member is entitled to $2,300, a member who is an outside member is entitled to receive $3,400.

39. Rural members who reside in the Capital city are eligible for $4,400 incidental allowance plus 24 return trips to visit their constituency. The Premier, Leader of the Opposition, and leader of a party are eligible for $2,200 plus 12 return trips for travel within the Yukon.

40. Members are paid $200 daily when they perform work outside their home community. On the day the Member returns home the allowance is reduced to $57 per day.

41. Maximum 52 trips for regular members. This is increased to 57 trips for those Members holding executive positions in caucus. These amounts are also increased to 60/65 if there are two sittings within a year.

42. Each member gets 52 round trips per year, members with additional responsibilities are entitled to 62.

43. When the House is sitting, members are eligible to claim actual expenses for travel and accommodation between their residence and the Capital city if they are not claiming a temporary residency.

44. Only Members who travel at least 100 kilometres from their principal residence receive up to $6,000 for additional expenses.

45. Does not include rent or telephone costs.

46. Does not include the salary for a constituency assistant or telephone expenses.

47. In Ontario, the constituency office allowance is called a Global Budget which includes communication and promotional costs as well.

48. Varies depending on constituency and it does not include the cost of staff.

49. Does not include rent or staff costs. Staff costs average approximately $27,000 per year.

50. This amount only includes the research budget. It does not include the cost of office equipment, telephone services, postal services and printing services.

51. The promotional allowance totals $2,271/year. Members are also allotted a maximum of $750 per year for postage for constituency mailings from the Legislature.

52. The cost of a mailing is equal to the # of householders X postage. The cost of a printing cannot exceed the cost of a mailing by 1.5 times.

53. Members of the Executive Council are not eligible for this payment.

54. Members of the Executive Council add this figure to their average Executive Council salary (highest 3 years) X 5% X years of service to equal their annual allowance.

55. Note: Most travel is by air.

56. Depends on size of constituency

57. Cabinet Minister and Speaker receive lower amount (includes Constituency indemnity).

58. None for members elected after May 28, 1996.

Federal government tries to hide the truth

by Mitch Gray

Information is the lifeblood of democracy. It circulates in the body politic providing citizens with political choices and informing them of the activities of their government.

No one knows this better than the tyrants who, in their thirst to repress their populations, seek absolute control over the means of disseminating information. Any dictator worth his salt will tell you that the first order of business in any revolution is to seize control of the radio stations, television networks and printing presses and to liquidate any unfriendly media.

Surprisingly, the most successful despots of the 20th century gained power, not through bloodshed, but through the control of information. Adolph Hitler was *elected* to power, in large part, because he exercised control over the German media. Benito Mussolini, himself a journalist and newspaper publisher, marched on Rome and stayed there for 20 years via intimidation of the press. Vladimir Ilich Lenin captured Russia in a bloodless coup through his wrestling away of the printing presses from the provisional Kerensky government.

Canada may not be Nazi Germany or Bolshevik Russia, but you'd never know it after reading this year's Annual Report from the Information Commissioner of Canada.

According to the Commissioner (Canadians' ombudsman responsible for investigating complaints that the government has denied rights under the *Access to Information Act*), "official attitudes are hardening against the public's right to know," and, "Some public officials don't understand or are unwilling to facilitate the public scrutiny of government." That's putting it mildly.

Over the past year, "ugly efforts have surfaced to thwart the right of access to government records through record destruction, tampering and cover-up." In one case, a senior manager of Transport Canada ordered officials to destroy all copies of an audit report into a refurbishing project even though the manager knew an access to information request had been made. In another investigation the Commissioner found that National Defence had altered documents before release and that orders were given to destroy the originals.

Beyond the destruction of documents, one of the favourite tricks of our national government for controlling information is simply to delay requests for as long as possible. While the law states that requests must be answered within 30 days, "it is not unusual for delays to be... more than a year." Even the Minister in charge of administering the law is not above bending it. In the words of the Commissioner, "The Solicitor General's political staff seemed to be under the impression that it was somehow justifiable to hold up these answers to suit their own and their minister's convenience." Information delayed is information denied.

All this is extremely bad news for taxpayers. The Commissioner has been forced to take the government to court over its failure to disclose the names of former MPs who are receiving copious MP pensions. Taxpayers have also been denied access to records indicating the number of jobs created by businesses that received subsidies from the Atlantic Canada Opportunities Agency — no doubt due to the public embarrassment that would result.

And Heaven help you if you ask for information about the Prime Minister's expenses. One individual who requested information about the cost of any vehicles purchased for the P.M. was not only refused an answer, but was subsequently investigated by the RCMP as a security threat. "It is worrying to me," the Commissioner said, "to contemplate the chilling effects on access to information rights if Canadians who ask questions about the Prime Minister's expenditures face the prospect of being investigated by the RCMP."

Did somebody say Gestapo? KGB?

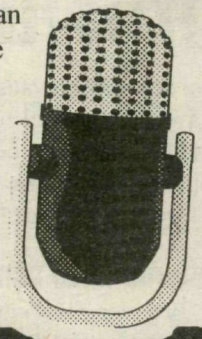
No, Canada isn't a totalitarian regime, but perhaps it isn't a truly democratic one either — that requires freedom of information and freedom from intimidation. The road to real democracy lies in breaking the choke-hold Ottawa applies to information paid for by taxpayers. ■

Why is Canada's Department of Defence hiding information from taxpayers?



Canadian Taxpayers Federation media summary for fiscal year 1995-96

The following is a summary of the media activity for the Canadian Taxpayers Federation and its provincial affiliates from July 1995 to June 1996. This includes a summary of all known media and print interviews in which CTF spokesmen or CTF materials were quoted or referred to. Also included in this report are the number of news releases issued by the CTF and its provincial affiliates. These releases are either nation-wide or province-wide and include every radio and TV station and daily newspaper.



This list doesn't include the Let Talk Taxes (LTTs) column which is distributed to weekly papers from BC to Ontario. The column is published regularly in a number of weeklies but it is difficult to determine how many LTTs have actually been published.

National

Month	Newspapers	Magazines	Radio	TV	New Releases	Total
July 1995	9	3	6	0	3	21
Aug 1995	11	4	20	3	2	40
Sept 1995	10	6	6	4	3	29
Oct 1995	13	2	8	10	1	34
Nov 1995	9	2	5	3	3	22
Dec 1995	3	1	3	0	2	9
Jan 1996	14	1	24	8	6	53
Feb 1996	9	2	13	7	3	34
March 1996	7	1	11	6	4	29
April 1996	10	1	16	6	7	40
May 1996	24	2	8	9	2	45
June 1996	14	3	20	2	5	44
Total	133	28	140	58	41	400

British Columbia

Month	Newspapers	Magazines	Radio	TV	New Releases	Total
July 1995	20	4	11	4	4	43
Aug 1995	3	1	7	2	0	13
Sept 1995	9	1	5	5	0	20
Oct 1995	1	0	7	1	0	10
Nov 1995	8	4	14	3	4	33
Dec 1995	5	0	5	1	1	12
Jan 1996	7	0	13	5	2	27
Feb 1996	6	3	5	3	2	19
March 1996	5	1	4	4	0	14
April 1996	11	0	9	5	6	31
May 1996	21	2	4	6	6	39
June 1996	10	0	6	0	2	18
Total	104	14	92	42	27	279

Alberta

Month	Newspapers	Magazines	Radio	TV	New Releases	Total
July 1995	13	2	7	3	3	28
Aug 1995	14	5	4	6	2	31
Sept 1995	6	5	1	0	0	12
Oct 1995	7	3	3	2	1	16
Nov 1995	10	7	3	7	2	29
Dec 1995	7	3	3	2	0	15
Jan 1996	27	3	9	4	2	45
Feb 1996	20	3	15	9	1	48
March 1996	13	4	4	2	1	24
April 1996	17	5	15	7	1	45
May 1996	17	6	12	2	0	37
June 1996	11	6	6	4	0	27
Total	162	52	82	48	13	357

Saskatchewan

Month	Newspapers	Magazines	Radio	TV	New Releases	Total
July 1995	3	1	9	5	1	19
Aug 1995	6	1	13	3	2	25
Sept 1995	6	2	19	10	3	40
Oct 1995	8	1	18	7	4	38
Nov 1995	3	0	12	2	2	19
Dec 1995	7	1	8	4	3	23
Jan 1996	4	1	22	5	0	32
Feb 1996	4	0	17	7	1	29
March 1996	6	1	42	13	4	66
April 1996	3	2	16	3	1	25
May 1996	2	2	15	4	1	24
June 1996	2	1	12	1		17
Total	54	13	203	64	23	357

Manitoba

Month	Newspapers	Magazines	Radio	TV	New Releases	Total
July to Oct. 1995	20	0	14	7	n/a	41
Nov 1995	n/a	n/a	n/a	n/a	n/a	n/a
Dec 1995	n/a	n/a	n/a	n/a	n/a	n/a
Jan 1996	12	1	11	6	3	33
Feb 1996	7	0	7	5	2	21
March 1996	11	0	2	6	5	24
April 1996	14	0	3	7	2	26
May 1996	7	0	0	5	4	16
June 1996	10	0	2	5	3	20
Total	81	1	39	41	19	181

Ontario

Month	Newspapers	Magazines	Radio	TV	New Releases	Total
July 1995	3	0	12	0	1	16
Aug 1995	2	0	3	0	0	5
Sept 1995	10	1	9	2	3	25
Oct 1995	8	1	3	3	0	15
Nov 1995	9	1	3	2	1	16
Dec 1995	5	0	7	3	1	16
Jan 1996	16	0	16	4	2	38
Feb 1996	6	0	7	2	1	16
March 1996	5	0	11	2	2	20
April 1996	12	0	11	5	3	31
May 1996	4	0	9	2	2	17
June 1996	7	0	10	0	1	18
Total	87	3	101	25	17	233

Grand total for the CTF and Provincial affiliates

1995-96	621	111	657	278	140	1,807

Taxes hurt economic growth

By Dean Smith

Canadians have become increasingly concerned about the economy being battered by business closures and layoffs.

A number of reasons have been given for these economic woes, but one that is often ignored by politicians is taxation.

Dr. Richard Vedder, professor of economics at Ohio University, has released a study showing a strong correlation between high taxation and slow economic growth in the U.S.

Vedder writes, "Before the 1930s, the typical U.S. state had neither an income nor a sales tax, whereas today most states have both. Do these increasingly important taxes affect our rate of economic progress? In short, do taxes matter? The answer is clearly 'yes'."

In his study, Vedder compared the 10 states with the greatest economic growth between 1967 to 1990 to the 10 states with the lowest economic growth. He found that the growth rate for high tax states was 20% lower than the economic growth of the low tax states. In contrast, those states with the greatest rates of economic growth raised taxes at a rate 35% below that of the low growth group.

Similar comparisons

When Vedder compared neighbouring states with similar economies, he again found that taxes played a significant role in the economic well-being of the state. For example, when comparing Kansas and its neighbouring state Iowa, Vedder found that per capita income levels in Kansas went from being 8% lower to 5% higher, an increase he attributed to the lower growth in tax rates in Kansas.

New York, one of the U.S.'s highest taxed states, has suffered economic decline relative to its lower taxed neighbours Connecticut, New Jersey, Pennsylvania, Massachusetts and Vermont.

According to Vedder, "it's not an accident that the two fastest growing states over the past six decades, Nevada and Alaska, have no personal income tax, a distinction also held by such other rapidly growing states as Florida and Texas."

International comparisons

Vedder also cited a similar correlation at the international level. He found that of the 20 most industrialized nations, the five with the highest tax rates during this period, (Spain, Ireland, Italy, Denmark and Greece) saw their economy grow at a yearly rate of only 1.72% a year, while those with the lowest tax rates (Norway, West Germany, the United States, Austria and Turkey) grew at an average rate of 2.22% a year - 29% higher.

Why taxes hurt?

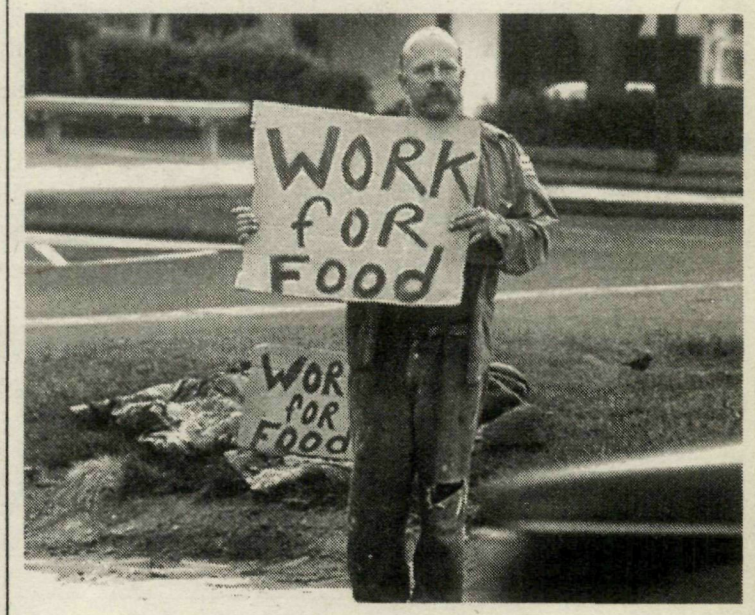
Vedder points to a number of reasons why taxes affect economic growth:

- Taxes reduce workers' disposable income, leaving less money for businesses. Vedder argues that "dollar for dollar, private activity is far more productive than public sector activity." Essentially, governments begin to crowd out the private sector which results in fewer business starts, layoffs, closures, etc.
- Businesses experiencing a low rate of return on their investment may consider moving or expanding into lower taxed jurisdictions instead of higher taxed ones.
- High tax regimes result in higher costs. Higher taxes also force employers to pay workers more to compete with the amount they would have in take-home pay if they worked in low tax areas. This in turn makes them less competitive resulting in reduced sales of their products and services.
- Consumers will also find ways to avoid paying taxes, which in turn affects the local economy. For example, Vedder estimated that 43% of the cigarettes consumed in Cincinnati, Ohio and area were purchased in Kentucky because Ohio's cigarette taxes *at that time* were six times higher.

The message: Cut taxes

Vedder's message is simple: While it's true there are a number of factors affecting the economy which are beyond people's control, the one area that does affect economic growth and is controlled by government is the rate of taxation. If politicians are serious about turning Canada's economy around, it would be wise to heed this message. ■

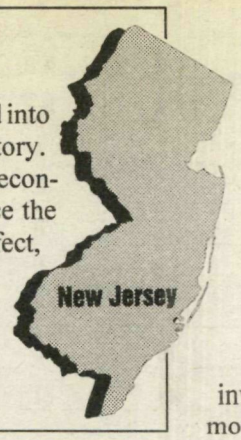
It's always someone else's fault



One disturbing conclusion of Vedder's study is that the "debilitating effects of taxes are not fully felt until two or three years after adoption. Thus, a tax increase approved in 1992 might start hurting the economy in 1994 or 1995. By then, voters will not associate the economic stagnation with the tax increase passed years earlier, and politicians can blame the poor economy on other factors.

Tax destruction

In 1991, the then Governor of New Jersey signed into law the largest state tax increase in American history. The results were devastating. Three years later the economy was in a tailspin that had not been seen since the Great Depression. After the increases went into effect, New Jersey personal incomes plummeted at a faster rate than any other state in the U.S. An article in Forbes magazine estimated that more than 300,000 jobs were destroyed by the increase - more than 8% of the state's work force.



TAXING THE CANADIAN ECONOMY: KILLING JOBS

CPP rate hikes = job decline

Concerning the 10% increase in CPP rates proposed by Canada's finance ministers this past June, the federal Department of Finance stated that the increases between 1986 to 1993 cost Canada 26,000 jobs and further increases would see the job losses double this amount by the year 2000 and double again by 2016.

Alcohol taxes cost jobs

With an over 71%+ tax rate on spirits, the Canadian economy has been hard hit by liquor smuggled in from outside the country. The Liquor Control Board of Ontario estimates that as much as half-a-billion dollars is being lost due to smuggling. Quebec estimates that 50% of their liquor is smuggled in. A 1992 study by the consulting firm Ernst and Young has shown that for every million dollars in retail sales removed from the economy, approximately seven jobs are lost. This would translate into nearly 3,500 job losses in Ontario, in this one area of the economy, directly attributable to taxes.

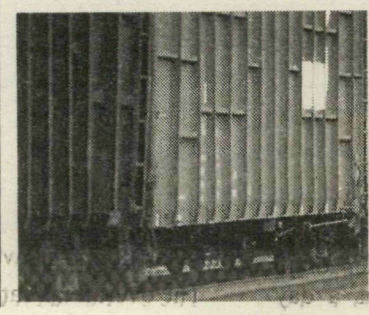


Alberta a tax haven

Reports indicate that Alberta is becoming the province of choice for those fleeing Hong Kong before its takeover by the Communists in 1997. They are bringing with them millions of dollars which in turn will be invested and create new jobs. The reason for Alberta's popularity: No provincial sales tax.

Rail taxes cost 7,500 jobs

A 1996 study by the Organization for Western Economic Development concluded that the taxes imposed by the four western provinces on the rail system are costing Western Canada jobs. The taxes come in the form of gasoline, property and sales taxes and hit producers of grain, potash, fertilizer, coal and manufactured goods. If the money was left in the hands of producers it would result in the creation of nearly 7,500 jobs. Hardest hit are the provinces of Alberta and Saskatchewan, where nearly 70% of the job losses are found.



Payroll taxes cost jobs

An August 1995 study by the Bank of Canada stated the federal and provincial governments may have killed as many as 130,000 jobs over four years, simply by raising payroll taxes. This increase in taxes, "...is estimated to

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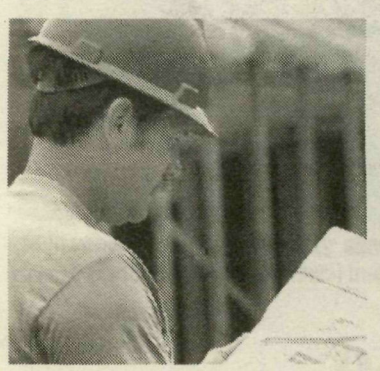
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have reduced the level of employment by 1% in 1993."

The cost of taxes

Dr. Bev Dahlby, a professor of economics at the University of Alberta, concluded in a 1994 study, released that every additional dollar taken by governments in the form of income taxes costs the economy $1.38. This results from the disincentives to work, save and invest created by marginal rates.



Businesses pull out because of taxes

A 1994 survey by the British Columbia Chamber of Commerce revealed that more than 20% of the respondents had either already moved their operation or were considering it because of tax and regulatory policies.

Taxes greatest concern

A 1994 survey by Arthur Anderson of small and mid-sized companies across Canada indicated that 70% of these businesses stated that taxes were their most important concern.

Taxes affect survival

A 1994 survey by the Canadian Federation of Independent Business reported that 82% of its members were concerned about the total tax burden and their companies' ability to continue. CFIB members also ranked taxes, followed by "debt and deficit reduction," as their two biggest concerns.

Tobacco taxes cost jobs

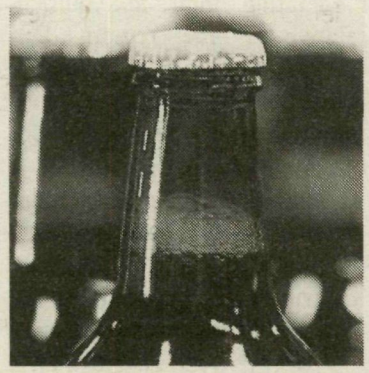
The Canadian Tobacco Manufacturers Association released a report in 1993 stating that one in nine packages of cigarettes smoked in Canada has either been smuggled in or stolen. The report estimates the value of these contraband cigarettes at around $988.7 million. The report also stated that between 1989 and 1993 the amount of cigarettes smuggled into Canada from the US has increased six times due almost solely to the excessive levels of Canadian tobacco taxes. During the 1980s federal excise and duty on cigarettes in Canada rose from 30 cents a package to $1.98 while provincial taxes increased from 28.5 cents a carton to $1.78.

UI premiums cause unemployment

A 1993 report by the Institute of Policy Analysis at the University of Toronto concluded that 48,000 jobs would have been lost in 1993/94 had the federal government increased UI premiums at the same rate it did in 1992, from 6.72% to 7.2% of insurable earnings.

Canadian taxes hurt international sales

A study about "Transportation through the Greater Vancouver Gateway" concluded that, overall, Canadian rail companies pay 54% more in taxes than their American counterparts. The study revealed that taxes on transporting containers were 75% higher, and the costs of transporting coal were 31% higher than in the U.S., hurting Canada's competitive advantage.



Alcohol smuggling costs economy

In 1993, the Canadian Distillers Association estimated that four million bottles of spirits (one in four) are smuggled into Canada. Representing over $1 billion in lost revenues nation-wide. In 1992, the amount of alcohol seized at the Canadian border increased 400% over the previous year. The sole cause of the smuggling was identified as excessive federal and provincial taxes on alcohol.

New Brunswick economy hurt by high taxes

A 1992 study by the New Brunswick government indicated that the province's economy was losing nearly $200 million a year due to cross-border shopping, which it attributed directly to high taxes. The study showed that the state of Maine, the province's closest competitor, has only a 6% sales tax compared to New Brunswick's combined rate, at that time, of 18%. Hidden taxes, however, were the biggest reason for the loss. For example, a case of beer in Maine had a tax bill of $2.42 compared to $13.80 in New Brunswick *before* sales taxes were applied.

Taxes hurt airlines industry

In 1992, the Conference Board of Canada concluded that the primary reason for Canada's lack of competitiveness in the airline industry was the higher fuel tax burden in this country. In fact, had Canada's two major airlines, Air Canada and Canadian Airlines, paid the same amount of fuel tax as their American counterparts, both would have shown a profit rather than a loss that year.



Cross-border shopping in B.C.

In 1992, the British Columbia Chamber of Commerce estimated that cross-border shopping was costing B.C.'s economy about $1.2 billion (U.S.) a year. A large part of this was attributed to the excessive levels of taxation which were estimated at that time to be costing the B.C. economy about 8,400 jobs.



Canadian farmers pay more tax than US counterparts

A 1991 study by Canadian National Railways and Canadian Pacific Railways concluded that American farmers have a distinct advantage when it comes to transporting their grain to port. According to this report, Canadian farmers have to pay 40% more in taxes than their American competitors. The study reported that a trainload of grain being transported from North Dakota to Portland, Oregon, cost $5,045 less in taxes than grain being shipped from Saskatchewan to Vancouver, even though the American trip is 190 miles longer. The CN/CP study compared payroll taxes, property taxes and fuel taxes. ■

Do lower tax rates = higher government revenues?

by Dr. Mark Lee

For years many economists argued that taxes had little impact on business location decisions. More recent research, however, indicates that taxes can make a difference in regional economic development.

In 1992, Dr. Gerald Scully of the University of Texas studied the tax-growth relationship. Scully concluded that there is an inverse relationship between taxes and population growth, and that this relationship increased over time. In other words, the longer the excessive tax burden was in place, the more the population shrank. Dr. Richard Vedder, of the University of Ohio, came to a similar conclusion. In his study, Vedder saw a strong correlation between taxes and population growth; high-tax states had population declines over time, whereas low-tax states saw population increases during the period of study. Vedder found that over one thousand persons a day moved into the low-tax states from 1980 to 1988, while, on balance, people were departing the high-tax states.

Of course, one of the major reasons for the population transfer is that people were migrating to those areas where they could find work.

Is there an ideal level of taxation?

University of Texas economist, Dr. Gerald Scully, has recently completed a study indicating that lower taxes, which maximize economic growth, result in more revenue for the government. His study concluded that high tax rates have stunted economic growth in the U.S resulting in fewer tax-paying business and jobs, thus choking off revenue for the government. Scully stated that the ideal rate for federal, state, and local taxes **combined** should be between 21.5% and 22.9% of income to achieve the maximum economic growth and tax revenues.

The overall tax rate in the U.S. did not break 20% until about 1950, but since then it has consistently exceeded Scully's average rate. The result has been slower economic growth than would otherwise have been the case. Scully estimates that if this average tax rate had been maintained over the past 40 years, the U.S. gross domestic product would have exceeded $13 trillion (US) today instead of the actual $6.2 trillion (US).

Scully estimates that if the average tax rate had been limited to 22.9% between 1949 and 1989, the additional economic growth would have produced $11.6 trillion in tax revenue, above and beyond what was collected during that period. This additional income would have been sufficient to fund all the social programs in effect in the U.S., and would have eliminated all deficits since 1949.

Recent surveys of the business community here in Canada supports the research data that taxes impact economic development. For example, the Canadian Chamber of Commerce recently completed a survey of Canadian entrepreneurs. It found the greatest barriers to job creation included: the overwhelming size and scope of government debt and deficits; payroll taxes; regulatory burden; and the difficulty in accessing capital.

In Saskatoon, Saskatchewan, the city's Regional Economic Development Authority completed a survey of 90 industrial companies. Fifty-two percent of the respondents cited municipal taxation as one of the biggest roadblocks to their competitive position.

This reflects the findings of similar surveys in other regions of North America. One study said that the oppressive tax structure in New York state and within New York City led to the economic decline of that region over the past 30 years. Similarly, a survey of busi-

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nesses in Maryland indicated that the state's high taxes was the biggest disadvantage in operating there. Business leaders also suggested that the state's reputation for high taxes is keeping away prospective new businesses.

Another survey of over 600 high tech firms indicated that taxes were a major factor in determining where they would locate. Perhaps even more alarming is a finding that taxes reduce the number of business start-ups among small or new firms. Other studies show that higher taxes lower growth in income, retard in-migration of labor and capital, and reduce employment in several leading sectors.

Learning from experience?

Dr. Peter Senge of Massachusetts Institute of Technology, in his book The Fifth Discipline points out that most leaders never learn from experience because they are not in a position long enough to experience the negative consequences of their actions. Senge argues that most decisions made by leaders of organizations will not be realized for three or four years after the decision is made. By that time the leader has moved on to greener pastures, leaving the mess for his or her successor to clean up. He refers to this as the myth of learning from experience.

This concept is particularly true for taxation. It can take years from the moment a tax is introduced until its economic impact is felt. Moreover, the economic impact of taxes may accumulate over time. Drs. Benson and Johnson, for example, observed that tax increases today tend to lead to reduced income in two or three years.

Taxes do matter!

The good news is that governments can undue much of the damage caused by high taxes by moderating their tax burden relative to other regions. Dr. Richard Vedder says, "changes in tax behavior over time are as important or more so than levels of tax burden."

Scully's study clearly indicates that governments can maximize revenues by actually lowering taxes which in turn results in a stronger economy. Moreover, with more people working and paying taxes, social program spending will actually go down as fewer people need to depend on governments for support.

Higher tax revenues, more jobs, and lower government spending sound like good reasons to cut taxes! ■



By lowering taxes, the resulting economic growth and higher employment would result in increased tax revenues and lower government spending.

It's great to tax the rich - But who are the rich?

By Moira Wright

Many advocates of higher taxes in Canada claim "wealthy" Canadians pay little or no income taxes. This is a dangerous myth that must be put to rest before the federal government, in its quest for another golden goose to pluck, descends upon most taxpayers under the guise of "tax fairness." The fact is the real dollars are in the middle class, and if the feds are going to reap any big rewards that's where they must go.

The most recent data available from Revenue Canada pertains to the 1993 taxation year. At that time there were 19.8 million returns filed. These filers earned a total of $503 billion and paid about $86 billion in provincial and federal income taxes.

The chart on this page breaks down federal and provincial income taxes paid by Canadians, and it is clear that the majority of income is earned by lower-middle and middle income Canadians.

The majority of filers earned under $25,000, with about 62 % of returns falling into this class. These individuals earned about 27% of all personal income in Canada, but paid only 11% of the total tax burden. They paid, on average, about $794 in income taxes or 7% of their earnings.

About 27% of filers earned between $25,000 and $50,000 - the second largest group. These filers earned about 38% of all income and paid almost one third of all income taxes. The average income tax payment for this group was $5,937 or 16.83% of their total earnings.

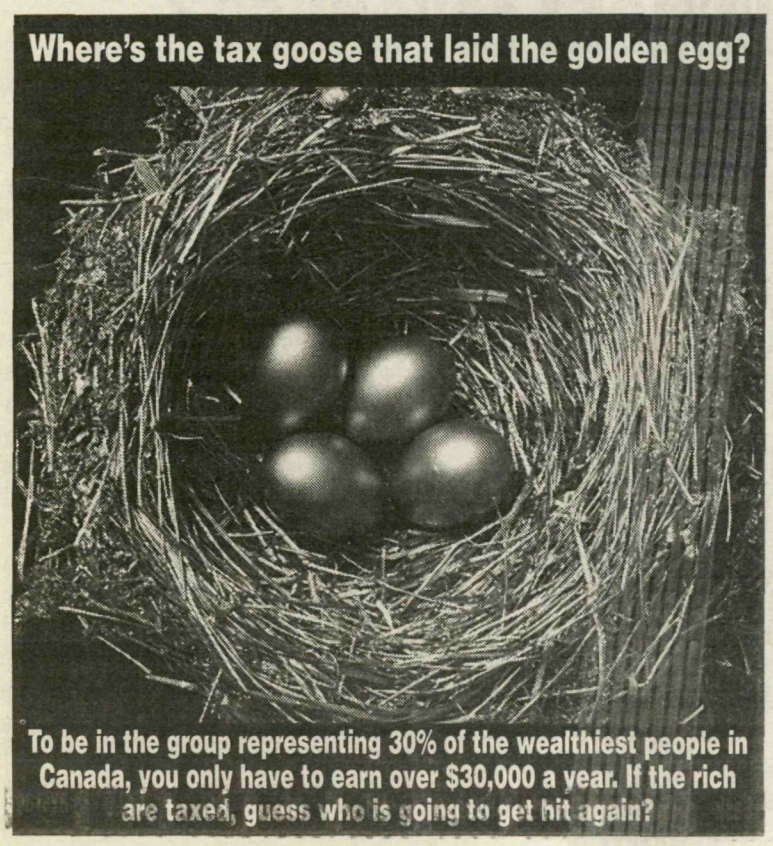
Only 1.4% of Canadians earned $100,000 or more. These filers earned about 11% of all income, but paid almost 20% of the total national income tax bill. On average, filers in this income group paid over 30% of their total earnings to income tax. Of these 285,000 high earning Canadians, about 44,000 earned $250,000 or more and their average tax bill was $166,000. This tiny group of Canadians ended up paying almost 10% of all taxes collected.

Only 11% of Canadian filers earned over $50,000 in 1993. These 2 million Canadians pay nearly half the income tax bill for all of Canada. While a handful do escape, the bottom line is that those 285,000 Canadians who earn over $100,000 end up paying on average almost a third of their income in federal taxes.

These numbers show that any changes to the income tax system would be largely symbolic as far as the wealthy are concerned, as they make up such a small portion of Canadians. Further, since they already pay the highest proportion of income tax, the increased taxation could prove an incentive for them to leave for lower taxed jurisdictions taking their wealth and investments with them.

In order for tax hikes to be worthwhile, politicians must target the average taxpayers, who make up the bulk of contributors. It's important for Canadians to understand this, and push for changes to the income tax system that will benefit all taxpayers. ■

Moira Wright is the Executive Director of the Saskatchewan Taxpayers Association.



Taxes "On Sale"



The Swiss Government is negotiating private tax treaties with multimillionaires from around the world, offering them the opportunity to become residents of their modern, secure country at a cost of only 4% to 5% income tax. By putting their taxes on sale, the Swiss government is gaining revenues it otherwise wouldn't have, and the millionaires get to keep most of their money.

Breakdown of income tax returns by income class

Income class	# of filers in class	# of filers	Total income (in millions $)	Share of income (in millions $)	Total taxes paid (in millions $)	% of share of taxes (actual $)	Average tax paid in class	Tax rate paid
Under $15,000	8,494,840	42.84%	$63,084	12.53%	$1,868	2.17%	$220	2.96%
$15,000 - $25,000	3,782,530	19.08%	$74,588	14.82%	$7,877	9.17%	$2,082	10.56%
$25,000 - $50,000	5,394,260	27.20%	$190,296	37.80%	$32,025	37.27%	$5,937	16.83%
$50,000 - $100,000	1,872,680	9.45%	$119,142	23.67%	$27,440	31.94%	$14,653	23.03%
$100,000 - $250,000	240,760	1.21%	$34,040	6.76%	$9,375	10.91%	$38,939	27.54%
$250,000 or more	44,170	0.22%	$22,234	4.42%	$7,338	8.54%	$166,131	33.0%
Total/Average	19,829,240	100%	$503,386	100%	$85,923	100%	$4,333	17.10%

Includes all taxable & non-taxable returns filed in Canada in 1993, the most recent year available. Source: Revenue Canada, Taxation Statistics.

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CANADA'S TAX FREEDOM DAY ARRIVED ANOTHER DAY LATER THIS YEAR.

by Dean Smith

By June 24th, Canadians had finally worked long enough to pay the tax bill for all levels of government in Canada this year. The next day they could go to work knowing the money they earned would finally be their own. Canada's Tax Freedom Day edged forward one day over last year reflecting an overall increase in the nation's tax burden. Since 1961, it has advanced 53 days from when it fell on May 3rd.

Each year, the Vancouver-based Fraser Institute calculates the Tax Freedom Day for each province and then Canada as a whole. The calculations are based on the average income and total tax bill by province including federal, provincial and municipal taxes. Some provinces, for example, may have a lower tax bill but because the average income of their residents is also low the tax burden is quite high as a percentage of their income. From this percentage, the Fraser Institute calculates Tax Freedom Day.

This, of course, results in a wide range of Tax Freedom Days. The honour for the highest tax burden falls to B.C. with the latest date of June 30th and the earliest day belongs to P.E.I. at May 28th. Compared to last year's dates, Newfoundland, P.E.I. and British Columbia experienced an advance in their Tax Freedom Day. This means residents of these provinces have been forced to work longer to pay their tax bill.

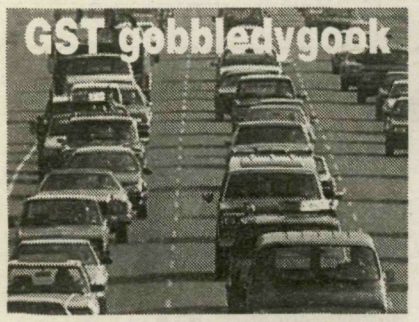
The Tax Freedom Days for Alberta, Manitoba, Saskatchewan and Nova Scotia actually went back. However, according to the Fraser Institute, this hasn't necessarily translated into a reduction in taxes for the prairie provinces since this year's one-time Crow payment to farmers has resulted in a higher than normal cash income.

The real eye-opener is the actual tax-bill that each family has been forced to pay this year. An average Canadian family of four with two children under the ages of 18 will earn $57,666 and out of this they will have to pay $28,773 in taxes.

The actual tax bill varies from province to province. Not surprisingly, the average B.C. family paid the most taxes at $31,717. The second largest tax bill was paid by Ontario families who forked over $30,195 and Newfoundland families came in the lowest paying only $18,633 a year.

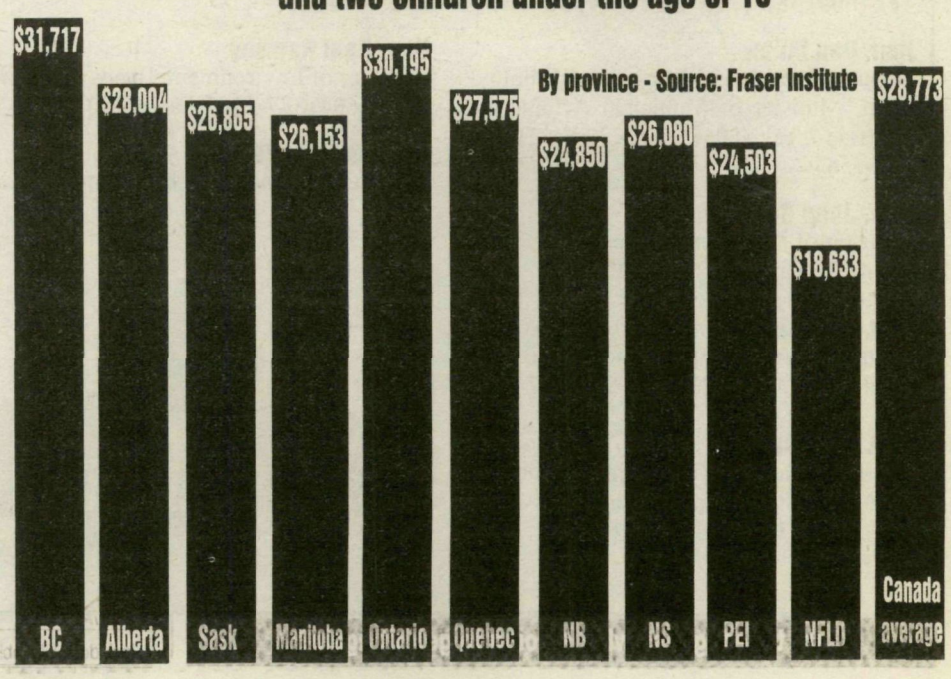
Another interesting statistic from the Fraser study is their comparison of the growth of tax burdens over the last 10 years. Since 1985, the tax burden for Manitobans skyrocketed past all other contenders with an overall increase of 41%. This was nearly double Newfoundland which had the second fastest increase of 24.4% and Saskatchewan with its 24% increase. Only one province saw its tax burden go down and that was PEI which experienced a 5.6% decline.

The news is not good. Overall Canada's tax burden increased this year which is bad news for the economy. Three of the four provinces which experienced a decline in their tax burden did not do so necessarily because taxes decreased but because of a one-time cash payment from the federal government that won't be there next year. ■



Reform MP Monte Solberg recently posed a question to Doug Peters, Secretary of State for Financial Institutions, about the GST and car sales. Peters' response provides some clue to the confusion that seems to run amuck in our political institutions.

"A used car under the old system would be subject to the same GST tax as it is under the new one. A new car under the, under the old system was subject to twice as much GST as it was total GST that put a total input tax credit on it and a net would be exactly the same. The new system and the old system yield exactly the same GST."



Petter's rain dance

by Troy Lanigan

If Finance Minister Andrew Petter and his cabinet colleagues were governing in Manitoba they would wake up tomorrow to a 20 percent cut in pay. In the Yukon, the NDP would be gearing up for another election.

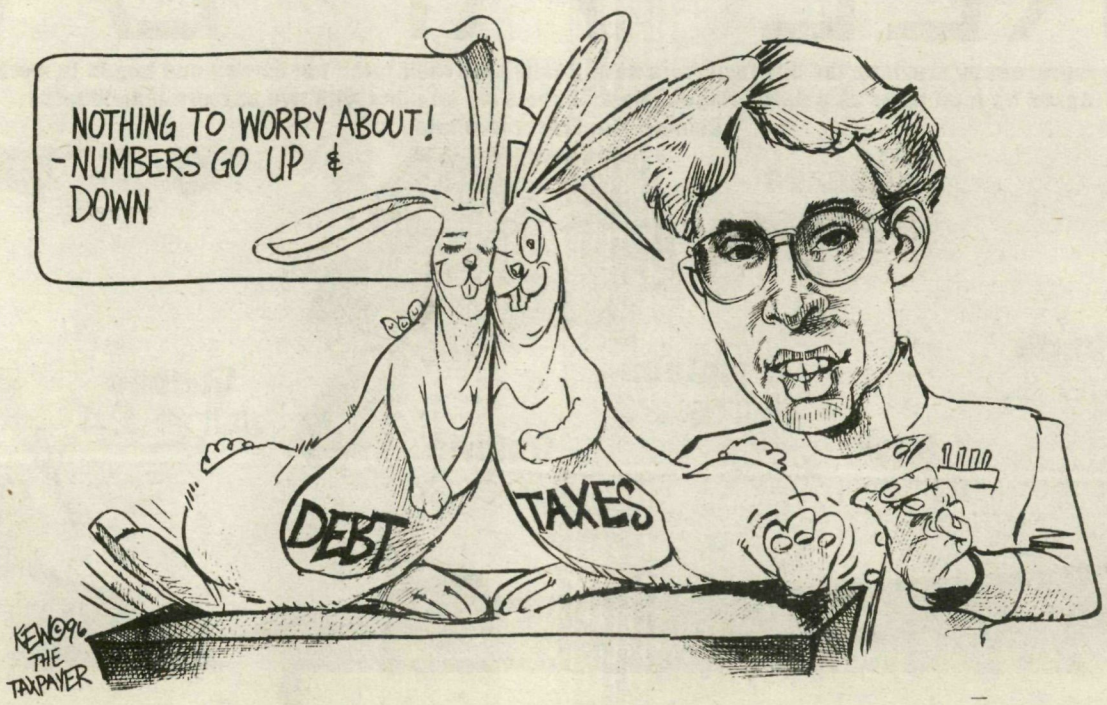
Why?

Because unlike British Columbia many provinces and territories are beginning to pass laws protecting taxpayers and disciplining politicians in a meaningful way. In four provinces and one territory, from NDP Saskatchewan to Conservative Alberta, balanced budgets are the law. Many, such as those in Manitoba and the Yukon, include strict penalties for non-compliance.

Not so in British Columbia where the NDP government steadfastly refuses to introduce any type of law requiring a balanced budget. "Legislation is no substitute for political will" wrote former Finance Minister Elizabeth Cull. Unfortunately, the NDP has neither balanced budget legislation *nor* political will.

On the Friday prior to the Canada Day long weekend Mr. Petter admitted that this year's "balanced-budget" would actually be a "very modest deficit" of some $235 million. Nothing to worry about he says, "numbers go up and down".

Huh? This is the kind of



cavalier attitude that has resulted in the federal government racking up $600 billion in debt and forking over $131 million a day in interest! It's the same attitude that has doubled B.C.'s taxpayer-supported debt in the last five years.

When asked why a deficit had been incurred, despite the NDP's often repeated claim to the contrary, Mr. Petter blamed the weather. The former university professor reasons that bad weather resulted in fewer trees being cut down thereby granting the government less in forestry revenue. It reminds me of former Saskatchewan Premier Grant Devine who used to blame his government's deficits on grasshoppers.

Voluntary compliance on the part of politicians to balance the budget, control spending, taxes and debt has resulted in failure — witness the government's own Debt Management Plan.

Five provincial governments and one territory have responded by passing, with varying degrees of effectiveness, elements of balanced budget/taxpayer protection legislation which limits governments' unabated ability to tax, borrow and spend. It also gives politicians a tool to say "no" to so many spending demands.

In addition to requiring balanced budgets, debt reduction and penalties for non-compliance, such legislation would also define accounting procedures that would prevent rules and procedures from being changed to suit the government of the day. It would also require timely release of the government's audited financial statements. In Alberta, the law requires that the Public Accounts be released within three months of fiscal year end. Whereas Alberta's audited statements are published in June, B.C.'s are published in December.

The final ingredient in balanced budget/taxpayer protection legislation is the requirement that voters approve any new taxes or tax increases in a province-wide referendum. To the government's credit, and despite their previous opposition to doing so, the government has introduced legislation freezing all major personal taxes to the year 2,000. It's a modest first step.

The province's finances are headed down a very slippery slope unless the government takes charge — and quickly. Balanced budget/taxpayer protection legislation would inject some badly needed discipline and restraint. More importantly it would give the government something tangible to show for its tarnished credibility on matters fiscal. ■

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Hon. John Cashore
Minister of Aboriginal Affairs - Tel: (604) 387-0886 Fax: (604) 356-1124

Hon. Corky Evans
Minister of Agriculture, Fisheries and Food - Tel: (604) 387-1023 Fax: (604) 387-1522

Hon. Ujjal Dosanjh
Attorney General; Minister Responsible for Multiculturalism, Human Rights & Immigration - Tel: (604) 387-1866 Fax: (604) 387-6411

Hon. Moe Sihota
Minister of Labour; Minister of Education, Skills and Training - Tel: (604) 387-1977 Fax: (604) 387-3200

Hon. Paul Ramsey
Minister of Environment, Lands and Parks - Tel: (604) 387-1187 Fax: (604) 387-1356

Hon. Andrew Petter
Minister of Finance and Corporate Relations; Minister Responsible for Intergovernmental Relations - Tel: (604) 387-3751 Fax: (604) 387-5594



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Minister of Forests - Tel: (604) 387-6240 Fax: (604) 387-1040

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Another case of "wriggle room?"

by Troy Lanigan

Lost in the kerfuffle over the deficit debacle is Finance Minister Andrew Petter's promise to freeze funding for new capital projects and undertake a "comprehensive review of all government programs." "We need to look at every government program and ask ourselves two questions," says Mr. Petter. "Do we need this? And is there a better way to do it?"

But whether taxpayers can expect any meaningful answers from this exercise will depend largely on how the government establishes and conducts its reviews.

Remember the last review? Shortly after the 1991 election, then Finance Minister Glen Clark commissioned the consulting firm KPMG to undertake a review of the province's finances. Far from showing the government how to do more with less, the *Financial Review Reports* paved the way for abolition of the previous government's *Taxpayer Protection Act* which froze taxes and required a balanced budget. It also recommended the government remove its infrastructure loans from the province's main balance sheet, allowing the government to borrow billions while claiming a balanced budget.

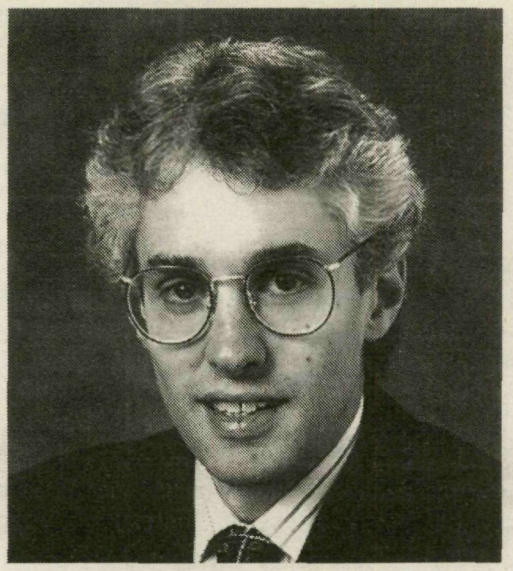
The Canadian Taxpayers Federation (CTF) has written Finance Minister Petter suggesting the reviews be given the broadest terms of reference possible and allow for public participation and input. The CTF has also asked that review chair(s) be appointed by an all-party committee of the Legislature; a specific time-line be set for completing and implementing the review; and, finally, that specific spending targets be established in the terms of reference. At minimum, those targets should be consistent with the $2.2 billion in spending reductions required over the next four years by the government's Debt Management Plan.

The reviews should provide an opportunity to offer specific examples of how and where government can trim its spending: reduce the public sector wages and benefits bill; eliminate business assistance programs; reduce welfare spending (which is up 103% over the past five years); reward managers who keep their programs under budget and penalize those who don't; privatize government Crowns and programs such as B.C. Pavilion Corp., B.C. Rail, the PNE and liquor distribution: privatization proceeds could be targeted to debt reduction, reducing interest payments which are currently the provincial government's fastest growing expense.

As for the freeze on new capital spending, the government has to prioritize projects and be prepared to utter the dirty "no" word. Scrapping two of the three high speed catamarans would be a good start. Second, put measures in place to maximize value for money. Finally, examine ways to involve the private sector in public purpose infrastructure. Earlier this week the Council For Public Private Partnerships came out with its annual *Inventory*, this year listing 219 infrastructure projects across Canada financed, built and/or operated by the private sector, demonstrating that "the private sector can provide an alternative to government-financed capital projects".

It appears however that Premier Clark is again seeking "wiggle room" on his government's commitment that its reviews would leave "no stone ... unturned." The NDP's fair wage policy and West Coast Express have already been taken off the table.

Taxpayers and Opposition politicians must demand that these reviews be meaningful. Without some serious scrutiny the reviews will likely justify the status quo ... something we can ill afford for four more years. ■



Finance Minister Andrew Petter is asking the right questions, but will he have the right answers?

Taxpayer Tidbits

More needless government ads

Will someone please inform the NDP that they won the election. The continuous barrage of taxpayer-funded advertising borders on the insane. Recent radio ads state: "Budget '96 ... Tax relief and a balanced budget. You spoke and we listened." Is it any wonder the province is in a deficit position?

Keeping revenue projections in line

If British Columbia was to adopt a provision of Alberta's balanced budget legislation the NDP government would have avoided an embarrassing quarter-billion dollar deficit. In Alberta, natural resource revenues for budget planning purposes must be estimated at the lesser of the last five year average or 90% of the current forecast. Had the B.C. government used this method in projecting a balanced budget for 1995/96, Finance Minister Andrew Petter could be boasting about a $143.1-million surplus instead of scrambling for excuses for an estimated $235-million deficit.

Welfare costs rise

Despite recent efforts to curb its growth, welfare costs continue to rise. According to figures released by the Ministry of Social Services, the number of people collecting welfare has gone from 366,695 in November 1995 to 371,514 to the end of April 1996.

A new set of wheels

A new set of wheels has shown up in the Speaker of the Legislative Assembly's (Dale Lovick) exclusive parking spot. It is now home to a $41,000 4x4 Chevy Blazer LT: roof rack, trailer hitch, leather bucket seats, CD player... the works! Why? The answer varies from the need to perform "special duties" to winter driving conditions to the Speaker's home constituency in Nanaimo. Officials at the Legislature are also quick to point out that the actual monthly lease costs have not increased from the previous vehicle. The point is missed. The real issue is whether or not taxpayers should be providing Mr. Lovick with a vehicle in the first place. Especially the vehicle in question — after all what "official duties" are conducted in a 4x4. As for others conducting "official duties" in vehicles at taxpayers' expense, officials at the legislature won't say: no current numbers, no budget, not even the guidelines are being made public. It is currently the subject of a freedom of information request...stay tuned.

Freeze on tax rates

On June 26, the government re-introduced *The Tax and Consumer Rate Freeze Act*, which imposes a three-year freeze on most major personal taxes, hydro rates, a two year freeze on basic auto insurance premiums, and a one year freeze on college and university tuition fees. The legislation also prohibits the introduction of any new taxes defined as "taxes payable to the government on income or on the acquisition, use or consumption of property, rights or services." Although the legislation freezes only half of the government's revenues and fails to require a balanced budget, it is a small step toward entrenching fiscal commitments in law — something former Finance Minister Elizabeth Cull refused to do as recently as March of this year when she wrote that "legislation is no substitute for political will." Perhaps the government is learning the public has little faith in "political will" these days.

Where BC tax dollars are spent

Of a B.C. family's $28,061 estimated tax bill this year (excluding natural resource revenues) over half, or 54%, finds its way into federal coffers, 42% goes to the province while 4% remains in the hands of municipalities. ■

Taxes for the average B.C. family with two or more individuals in 1996

Cash income	Income tax	Sales tax	Liquor, tobacco, amusement & other excise taxes	Auto, fuel, & motor vehicle licence taxes	Social security, pension, medical & hospital taxes	Property tax	Import duties	Profits tax	Natural resource levies	Other taxes	Total taxes
$58,664	$10,827	$4,376	$1,652	$763	$5,100	$1,910	$297	$2,394	$871	$787	$28,932

Source: Fraser Institute

Billion dollar pre-election bonanza? Not quite!



by James Forrest

Rumours of a huge government surplus for Alberta's 1995-96 fiscal year had been going on for months. February's Budget '96, which outlines revenue estimates and spending plans for the 1996-97 fiscal year, updated the 1995-96 numbers, projecting a $576-million surplus. Since then, oil prices have gone up.

When the government announced that it would publicize its "Reinvestment Plan" along with the official financial statements for 1995-96, the rumour mill really started spinning. "A re-election ploy," some said. "They've got tons of cash, so they'll dole out some spending, slash taxes and then call an election."

The media fanned the flames by speculating about how the "surplus" would be "reinvested." But Ralph's Team (which *is* undoubtedly working out its re-election kinks, although less anxiously than other hard-campaigning parties) was well aware of a couple of constraints on old-style political electioneering.

First, even if they were silly enough to be thinking about buying votes with voters' money (having forgotten their silly Redwater by-election antics), they couldn't use the surplus. Alberta's *Deficit Elimination Act* legislates that any time there's a surplus at year end, the extra money must be used to pay down Alberta's net debt. The $1.132-billion surplus unveiled by Premier Klein on June 24th was already spoken for.

The only thing the year-end surplus had to do with so-called "reinvestment" was that by using it to pay down debt, cash which otherwise would have gone to interest payments was freed-up. That's how the "Reinvestment Plan" works: money not spent on interest plus money to be cut from administration is to be redirected to programs, tax cuts and/or debt reduction. The allocation of this money will occur at the beginning of the year as part of the budget, not at year-end. While the billion dollar one-year surplus was being dangled in front of Albertans by the media, the Reinvestment Plan only involves $26 million this year, $226 million in 1997-98, and $461 million in 1998-99.

The second problem was that even though the government had recommended "reinvesting" by jacking up spending and pruning taxes, the results of this spring's "Straight Talk, Clear Choices" questionnaire indicated that Albertans' number one priority was debt reduction.

What to do? It's been a long time since an Alberta premier could look forward to a future budget showing more revenues than expenditures - at least a budget using real world numbers. The temptation to spend, with an election on the horizon, must have been tremendous!

Premier Klein managed to spin his way out of the dilemma. The government focused the media on four-year figures comparing total debt reduction (76%), with spending hikes (19%) and tax cuts (5%). Just what Albertans said to do.

But hold on. Of the actual "reinvestment" cash, $713 million (see chart below), spending on health, education, seniors, and roads will get more than half (53%). Some tax cuts (21%) were thrown in too.

Debt reduction will only be accelerated by *an average of* $100 million a year, a move which does *not* involve the reinvestment dollars. Debt reduction *may* get the final 26% of the reinvestment money, but there's no firm commitment even to that. The 76% highlighted by the government includes already planned debt repayments ($350 million per year average, now accelerated to $450 million) and the 1995-96 billion dollar surplus. And remember, the government is already required by law to put this surplus toward the debt!

Amazing. A mini pre-election bonanza indeed. ■

Public Accounts Summary

The Province's annual financial statements for 1995-96 show a surplus of $1.132 billion, the second straight surplus ($958 million in 1994-95) after nine annual deficits. Spending continued to fall last year, while revenues were also down compared to 1994-95.

1995-96 results vs 1994-95 results:

Overall revenues were down $496 million from the previous year. Non-renewable resource revenues fell by $593 million, mainly due to decreases in sales of Crown leases and lower gas prices. Net income from commercial operations dropped by $348 million; last year, the Workers' Compensation Board added a surplus of $280 million to the Province's bottom line, but new legislation makes the WCB a stand-alone organization for accounting purposes. Transfers from the federal government were down $187 million ($143 million of this from the cancellation of the utility income tax rebate) and finally, revenues from fees, permits and licences dropped $40 million.

These reductions were somewhat offset by higher corporate and personal income taxes (up $259 million and $114 million respectively). Investment income increased $171 million, partly as a result of transferring some government debt held by the Heritage Fund to external lenders, allowing the Heritage Fund to purchase higher-yielding external investments. "Other" revenues were $133 million greater (lotteries produced $78 million more) than 1994-95 levels.

Expenditures fell $1,044 million. A decrease in pension provisions made up $286 million of this drop, while debt servicing costs were $101 million lower. The rest of the difference, $657 million, resulted from less program spending (including $143 million from the utility income tax rebate).

1995-96 actual results vs '95 budget:

The 1995 Alberta budget projected a $506 million deficit, but the actual result for fiscal year 1995-96 was a $1,132 million surplus. Why?

First, the estimates for corporate income tax and resource revenues are purposely kept low in order to provide cushions should these volatile revenues fail to materialize - a lesson learned from the eighties. Thus, expenditures - and the deficit - were based on revenues which included $391 million in cushions. The actual results were $730 million more than expected. Add in the cushions, and the bottom line changes by $1.121 billion. Other revenue items came in $156 million higher than had been budgeted.

Overall spending was $463 million less than the budget had anticipated. Interest payments were $230 million lower because of decreased interest rates and lower debt (Budget '95 assumed a surplus of $110 million which must go to debt reduction, the actual result was a $958 million surplus). Programs consumed $233 million less than budgeted for, even though more was spent on health and education than originally intended. Much of the drop came from the Department of Agriculture due to a good crop year, and from Social Services. ■

Consolidated fiscal summary - Reinvestment plan

Millions of $ - June 24, 1996	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	Total Re-invest ment
Revenue								
Forecast/Actual [1]	13,520	14,738	15,516	15,002	14,229	14,342	14,408	
Cushions	—	—	—	—	(545)	(561)	(537)	
Reinvestment-Tax Reductions	—	—	—	—	**(9)**	**(49)**	**(95)**	**153**
Budget Actual	13,520	14,738	15,516	15,002	13,675	13,732	13,776	(21%)
Expense								
Program	15,612	14,649	13,043	12,356	12,277	12,155	12,055	
Reinvestment - targeted spending	—	—	—	—	**6**	**153**	**216**	**375**
Debt Servicing Costs	1,232	1,460	1,535	1,460	1,375	1,302	1,270	(53%)
Total Expense	16,844	16,109	14,578	13,816	13,658	13,610	13,541	
Net Revenue (Expense)	(3,324)	(1,371)	938	1,186	17	122	235	
Net Decrease (Increase) in Capital Assets	(91)	(13)	20	(54)	17	2	15	(26%)
Debt Payment/unallocated reinvestment funds	—	—	—	—	**(11)**	**(24)**	**(150)**	**185**
Consolidated Surplus (Deficit)	(3,415)	(1,384)	958	1,132	23	100[2]	100[2]	$713

1. To be consistent with the 1995-96 audited statements, disposals and write-downs of capital assets are no longer reported as negative revenue and thus are not reversed out under "Net Decrease (Increase) in Capital Assets." 2. The Balanced Budget & Debt Retirement Act requires a minimum debt payment of $100 million per year.

Re-investing in the Heritage Fund

by James Forrest

The Heritage Fund has been a source of pride for Albertans since it began in 1976, when energy revenues were gushing into provincial coffers. The oil boom couldn't be relied on forever, and Albertans supported the idea that wealth created from these non-renewable resources should be shared with future generations.

The "rainy day fund" had three goals: saving for the future, strengthening and diversifying Alberta's economy and improving the quality of life in Alberta. Thirty percent of resource revenues went into the Fund, and its investment earnings were retained to protect against inflation and permit growth. Sadly, as is often the case when politics are involved, lofty initial intentions became sullied in the 80s.

The first goal, saving for the future, was ditched when the 1982 recession hit and energy prices crashed. Between 1983 and 1987, contributions to the Fund were reduced to 15% and then terminated, and investment revenues diverted to the government. The public sector had enjoyed the boom times, developing into fat, expensive bureaucracies. The government had also become enchanted with spending willy-nilly on an expanding number of dubious programs. They weren't about to change. And cutting back on gold-plated services meant risking votes. Inflation began to eat away at the Fund's value.

Strengthening the economy?

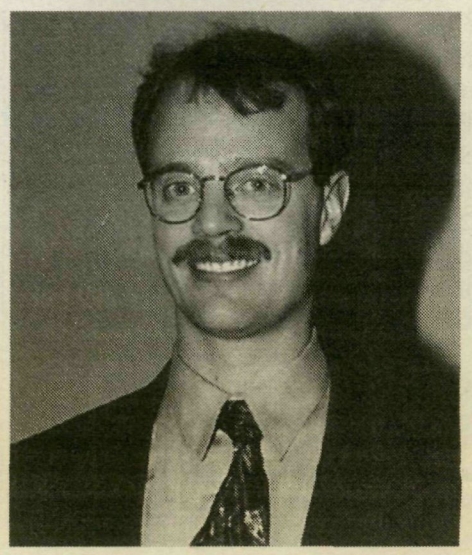
Albertans know all to well the record of the government's efforts to "diversify" the provincial economy with tax-funded investments: $392 million lost on the Lloydminster upgrader and $199 million written-off for the Millar Western Pulp Mill are but two examples. As well, the "savings" fund was tapped for short-term programs via loans to the government and its provincial corporations. In an obscure, circular fashion, interest payments to the Fund for these loans came from general revenues - which were supported by Fund revenues!

Albertans' quality of life *has* been enhanced by the many research and infrastructure projects the Fund has financed. But did the existence of the Fund blind Albertans to the problems created by deficit financing, debt and interest payments? If so, this sense of security is partially to blame for the painful cutbacks of the last three years. And the past build-up of facilities, some unnecessary, has committed taxpayers to ongoing operational costs.

In light of the restructuring started in 1993, the government asked Albertans what to do with the misused Fund. Albertans said "keep it, move it out of the political arena, and manage it as originally intended: as a savings trust fund." The *Alberta Heritage Savings Trust Fund Act*, passed May 24th, follows these recommendations.

The Fund's new mission is "prudent stewardship" of non-renewable resource revenues "by providing the greatest financial returns on those savings for current and future generations." Two portfolios will be established: an "endowment," which will maximize long-term growth and will eventually form the entire Fund. A "transition," fund generating income for short and medium-term needs of the government, will vanish by December 31, 2005, as annual payments are transferred to the endowment portfolio. To protect the Fund's value, beginning in 1999-2000, the endowment portfolio must be topped up to keep pace with inflation. Until then, protection will take place only if Alberta has a surplus of greater than $500 million. Finally, there are to be no "economic diversification" or "social" investments out of the Fund.

These reforms should make Albertans proud of the Heritage Fund again and make sure there is something to pass on to future generations after all. ■



James Forrest

Alberta's net debt

Note: These numbers are from Budget '96 (projected 1995-96 surplus of $573 million) and do not reflect the actual results of the 1995-96 fiscal year ($1,132 billion surplus) as reported in the Public Accounts.

(Millions of dollars)	1995	1996	1997 (est.)	1998 (est)
Liabilities				
General Revenue Fund & Prov. Corp. [1]	20,846	20,361	20,191	20,049
Less debt held internally by:				1,625
AHSTF	(3,761)	(1,870)	(1,737)	(1,625)
Other Entities	(71)	(95)	(159)	(230)
Unmatured Debt	17,014	18,396	18,295	18,194
Accounts, loans payable, & other liabilities	4,084	3,962	3,842	3,725
Pension liabilities	5,352	5,643	5,963	6,283
Equity in AMFC [2]	539	558	564	552
Total Liabilities	26,989	28,559	28,664	28,754
Assets				
AHSTF	11,895	11,895	11,895	11,895
Less internal assets issued by:				
General Revenue Fund	(1,568)	(0)	(0)	(0)
Prov Corporations/other	(2,498)	(2,057)	(1,919)	(1,802)
External AHSTF assets	7,829	9,838	9,976	10,093
Loans to farmers and small businesses	2,062	1,915	1,754	1,631
Other	3,852	3,823	3,898	4,036
Equity in AMFC [2]	539	558	564	552
Total Assets	14,282	16,134	16,192	16,312
Net Debt	12,707	12,425	12,472	12,442
Less pension liabilities	5,352	5,643	5,963	6,283
Net Debt *subject to* Balanced Budget and Debt Retirement Act	7,355	6,782	6,509	6,159

1. Alberta Social Housing Corporation, Agriculture Financial Services Corporation, Alberta Opportunity Company. 2. Alberta Municipal Financing Corporation is treated as a commercial enterprise as of April 1, 1996. The "equity" in AMFC (its accumulated profits) is both an asset to the Province and a liability, since the corporation has the power to pay it out to municipal and other shareholders.

Gross debt? Unmatured debt? Unfunded liabilities? How much do we owe?

Gross debt - The total of the government's obligations owed to others. Alberta's gross debt, as previously reported, would have been $33.2 billion. The chart now shows $28.6 billion. The difference lies in the treatment of Alberta's Municipal Financing Corporation (AMFC), which is now considered a commercial entity, accounted for on an "equity" basis. AMFC borrows at its better provincial government credit rating on behalf of municipalities (previously included as liabilities), and then lends to them (previously assets). This borrowing and lending amounts to $4.6 billion, but is no longer included in provincial assets or liabilities.

Unmatured debt - The external debt on which interest is paid (excluding AMFC debt).

Accounts, loans payable, other liabilities - Estimated and actual obligations and guarantees which must or may be paid in future years.

Unfunded pension liabilities - The difference between what's in the public sector pension plans now and what is needed to meet the promised, defined benefit payments in the future, as calculated by pension actuaries. The Province has legislated a plan for this long-term, non-interest bearing liability.

Net debt - The difference between financial assets and total liabilities. After withdrawing the unfunded pensions portion, this net debt is the "debt" targeted by the Klein government.

Internally held assets and liabilities - Some of the debt of the General Revenue Fund and Alberta's Provincial Corporations is held by the Heritage Fund and other entities. Under the process of consolidation internally held debt (assets to the Heritage Fund/other entities, liabilities to the GRF/Provincial Corporations) is taken out, reflecting the fact that we owe this money to ourselves. A similar process takes place for internally held assets. Restructuring of the Heritage Fund will reduce this practice. In fact, debt reduction to date has focused on eliminating this internally held debt first (as can be seen from the chart), which explains why unmatured debt and gross debt have risen while net debt has fallen. The 1994-95 surplus was used to reduce internally held debt, and replace internally held assets (which are subtracted under consolidation) with external assets. In other words, Alberta's assets have increased by more than debt. ■

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One in eight pay the bills

by Moira Wright

How many Saskatchewan citizens really earn their living in the private sector? Would it surprise you to learn that it's only about 120,000? The Saskatchewan Taxpayers Association has noticed that our tax base has been shrinking in recent years, due to various factors, including poor job prospects, booming welfare rolls, younger taxpayers leaving the province, and more retired citizens.

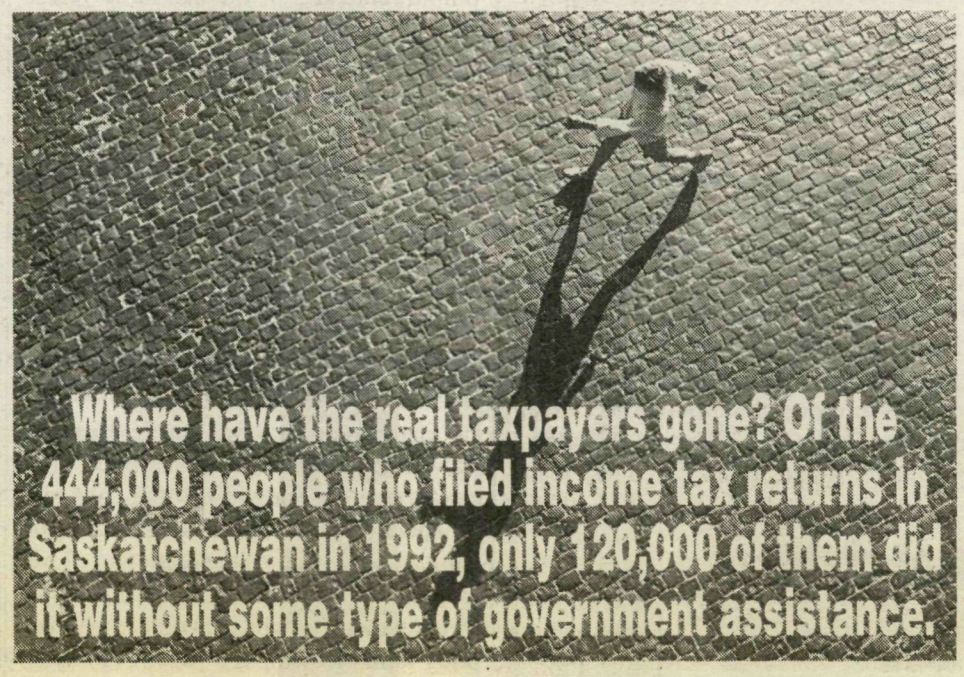
Our study of tax returns over the past few years shows only about 300,000 tax filers in Saskatchewan pay more than $300 a year in income tax.

But this is only part of the story. The Canadian Financial Planners Association has gone a step further by showing the number of tax filers on social assistance. Based on 1992 tax returns, about 444,000 Saskatchewan residents filed taxable returns, but most of these filers — about 232,500 — made most of their income through welfare cheques, unemployment insurance, government pensions, and other kinds of government transfers.

That means only about 211,500 earned their income from sources other than government assistance programs. Since 1992, the situation has probably deteriorated, as the welfare rolls have increased by over 5,000. There are currently about 122,000 citizens in Saskatchewan on welfare, including about 40,000 on-reserve status Indians.

The Canadian Financial Planners study also shows that Saskatchewan has about 90,500 working citizens who receive their income from some level or form of government employment. They do valuable work in many cases and have income taxes deducted from their pay cheque, but they still depend on taxpayers for their income.

We are left with the private sector tax base of about 120,000 supporting a population of one million. As Murray Mandryk of the *Regina Leader Post* noted, "only one in eight Saskatchewan residents paid more to governments than they got back from governments in either wages, pensions, pogey, or welfare."



We have a choice. We can continue along the same path, as many big government supporters would have us do. We can continue to have high taxes and utility rate hikes that drive businesses and taxpayers out of the province. We can continue to choke our economy with a system that creates dependency, and continue to watch our welfare rolls grow and promising future taxpayers leave.

Or we can change.

If we want a strong and growing tax base, let's start with a little more respect for the taxpayer. Those 330,000 who derive their income from taxes have the most to be concerned about. Without a healthy tax base, there isn't much to depend on.

Let's look around. The Alberta economy has created over 100,000 jobs in the last three years, while we have created only a few thousand. While our welfare rolls grow, Alberta's have dropped by half.

In order to have a stronger tax base, we need more private sector jobs in Saskatchewan. The best way to encourage real private sector job creation is to reduce the tax burden. ■

The $7.7-billion sinkhole

The taxpayers of Saskatchewan are probably wealthier than they thought they were. Through the Crown Investment Corporation (CIC) the people of Saskatchewan have about $7.7 billion of their money tied up in stock holdings, loans, and grants to business. These range from producing fertilizer to pulp and paper, from raising pigs to upgrading oil, and from mining uranium through to selling life insurance.

Along with this portfolio of private investments, the taxpayers of this province also own, through CIC, a number of Crown corporations, such as SaskTel and SaskEnergy. All of which would lead one to conclude that we have a healthy little nest egg waiting for all of us. Unfortunately, things aren't all that rosy.

In 1995-96 CIC paid a $50-million dividend to the General Revenue Fund. However, considering the fact that the Crown Investments Corporation controls approximately $7.7 billion of taxpayers' money, the $50-million dividend is nearly a 0.6% return on investment. In the private sector there would be a stockholder revolt over such a poor return. In all likelihood, the stockholders would be asking for the CEO's head on a platter, or at very least the CEO would be run out of town. Moreover, if the average taxpayer got this type of a return on their RRSP they needn't bother retiring because their savings haven't even kept up with inflation.

One of the biggest problems facing the taxpayers of this province is the fact that CIC has a number of very solid companies, such as SaskTel and SaskEnergy, which continue to subsidize perennial money losers, such as the Bi-Provincial Upgrader. For example, SaskTel, SaskEnergy, SaskPower, and S.G.I. paid $161.5 million in dividends to CIC in 1995, yet only $50 million of that was passed on to the government's coffers. The rest went to support a number of ill-advised investments.

Continued returns on investment such as these point to the poor stewardship of our hard-earned tax dollars by our elected officials and their political appointees that have made these investment decisions. Given the huge tax burden being placed on the people of this province, and the high interest payments we are being forced to pay to support these "investments", perhaps it's time to dump some of these financial dinosaurs.

Some of the billions of investments could go a long way toward erasing the debt, and easing the province's tax load. ■

The CIC Family Tree

Crown Investment Corporation of Saskatchewan

Subsidiary Crown Corporations

- Saskatchewan Development Fund Corporation
- Saskatchewan Economic Development Corporation
- Saskatchewan Forest Products Corp.
- Saskatchewan Government Growth Management Fund Corp.
- Saskatchewan Government Insurance
- Saskatchewan Opportunities Corp.
- SaskPower Corp.
- SaskTel
- Saskatchewan Transportation Corp.
- Saskatchewan Water Corp.
- SaskEnergy
- Saskatchewan Computer Utility Corp. (Inactive)
- CIC Mineral Interests Corp. (Inactive)

Investments held by CIC

- Cameco Corp.
- NewGrade Energy Inc.

Investments held by CIC Industrial

Large-scale projects:

- Bi Provincial Upgrader Joint Venture
- Meadow Lake Pulp Ltd. Partnership
- Saskferco Products Inc.
- Saskfor MacMillian Ltd. Partnership

Loans, Mortgages, Properties & Debentures:

- HARO Financial Corp - Former Crown Life
- SEDCO Holdings
- Cadillac Fairview Corp
- Dairy Producers Co-operative Ltd.
- Canadian Western Bank
- Sascable Services Inc.

Shares

- Wascana Energy Inc.
- National Pig Dev. (Canada) Co. Ltd.
- SGI Canada Insurance Service Ltd Former Saskatchewan Diversification Corp. holdings
- IPSCO Inc.

Freedom . . .

by Moira Wright

What is your biggest household expense? Rent . . . mortgage payment . . . maybe your grocery bill, utilities, or a car payment?

Guess again.

Your biggest household expense is taxes. In fact, the average family of four in Saskatchewan will pay close to half of their entire income to some form of government.

Tax Freedom Day in Saskatchewan falls on June 17th this year as calculated by the Fraser Institute. This is the day that you begin working for your own family's benefits. From January 1st to June 17th, the equivalent of all the income earned by your family has gone just to pay taxes to the three levels of government.



The average Saskatchewan family pays $24,672 in taxes.

The good news is that Tax Freedom Day was on June 24th last year. But don't get this confused with any tax relief. While the average Saskatchewan family will pay $700 more in taxes this year, it is offset by the one-time Crow Benefit pay-out. This temporary income hike pushes back Tax Freedom Day a week.

The Fraser Institute calculates that the average household in Saskatchewan will earn $53,728 this year (this includes transfers from government, pensions, etc.).

Of that $24,672 finds its way into government coffers. No surprise, income tax takes the biggest bite, accounting for about 34% of taxes. The PST and GST take $4,331, or another 18%. Next comes social security taxes (CPP and UI premiums) at $3,401, or about 14% of the tax bill. Property taxes take up another 7%.

What about the other 27% of the tax burden? Here's where the tax collector uses a few cloaking devices to hide his tricks.

About 50 cents of every dollar you put in your gas tank goes to government, as does over 70% of the price of beer and spirits you enjoy. And don't forget business taxes which are passed along to consumers and result in lower pension investment earnings.

Add in the various other fees, licences, levies, and service charges, and you soon find yourself working half the year for government.

But the story doesn't end there. Not only do governments take and spend half of your income, they actually go out and borrow billions more. Despite all the talk of cutting back, the federal government still spends $67 million a day more than it takes in. This borrowed money forces taxes up even higher as governments struggle to keep up with ballooning interest costs.

Only a decade ago, Tax Freedom Day fell on May 16th. By 1990 it was up to June 4th and this year we're at June 17th.

Some may note that while the public is frustrated with high taxes, they are often opposed to reductions in government services and handouts.

When people fork out 46% of their income, they expect something in return. But instead of debating how big everyone's slice of the government pie is, we should be debating whether or not the pie is too big to begin with. And nothing more clearly demonstrates the size of the government pie than Tax Freedom Day. ■

Tax Bill by Level of Government for Saskatchewan

Federal Government . $12,415
Provincial Government $9,538
Municipal Government . $1,934

1996 Estimate **(excludes natural resource levies)** Family with two or more.

Saskatchewan Tax Freedom Days

1985 — May 16
1990 — June 4
1996 — June 17

Taxes of the Average Family (with two or more individuals), 1996 - Source: Fraser Institute

Cash income	Income tax	Sales tax	Liquor, tobacco, other excise taxes	Auto, fuel, & licence taxes	Social security, pension, medical taxes	Property tax	Profits tax	Natural resource levies	Other taxes, duties	Total taxes
$53,728	$8,441	$4,331	$1,497	1,381	$3,401	$1,814	$2,125	$785	$897	$24,672

Saskatchewan must make some serious changes

The Saskatchewan government has announced plans to review its huge family of Crown corporations.

Unfortunately, this exercise may be mostly cosmetic. Politicians do not seem prepared to face up to the real problem — the fact that our monopolistic Crown regime does not operate in the public interest. Saskatchewan families are held hostage by huge political corporations and burdened by billions in shaky Crown investments and debt. Massive changes are necessary.



Saskatchewan politicians have outlawed competition to protect their "candy jar."

Crown corporations were set up years ago to provide the public with essential services at a break-even price. Today, that is far from the case. For too long, Crowns have been run by politics. From George Hill to Don Ching and Jack Messer, our Crowns are full of patronage.

Worse, politicians have become addicted to Crown money to feed their spending habits. Just this past year, $54.1 million was taken out of SaskPower, $31.7 million from SaskEnergy and $73.5 million from SaskTel.

Monopolistic pricing for essential services such as heat and power leaves taxpayers at the mercy of politicians, who raise prices at whim to skim profits for political agendas.

Monopolies are a public threat. Those in control will act in their own interest. Without competition and service choices, the public loses out.

Even more disturbing is the fact that politicians have outlawed competition to protect their "candy jar." If there was only one grocery store in Saskatchewan, everyone knows that prices would be higher and quality lower. Unfortunately, feeding your family is not that much different from heating your home.

The result of this system is demonstrated by the 1996 budget documents, which show Saskatchewan families paying power rates 37% higher than in Alberta, and 59% higher than those paid in Manitoba.

Saskatchewan politicians face a disturbing conflict of interest and appear incapable of choosing the interests of taxpayers over their own political self-interest. This review must be undertaken with the clear objective of protecting taxpayers from political monopolies.

Saskatchewan needs an independent, professional, and non-political Utility Review Commission to strictly regulate rates set by political monopolies. Wherever feasible, competition should be allowed to ensure the best prices and to increase private investment and jobs in our economy.

It's time to get taxpayers out of losing ventures altogether by selling them off and using the proceeds to pay down the debt. It's time to review Crown corporations in the best interests of taxpayers and consumers, not for the benefit of politicians and their party faithful. ■

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Labour reforms favour employees & taxpayers

by Victor Vrsnik

"None of your #%&@*^! business," said Jimmy Hoffa (played by Jack Nicholson) to his right hand man (Danny DeVito) when he asked how much the legendary union boss was paid. The scene from the movie "Hoffa" could have just as easily been staged for today's cast of union bosses often exempt from having to disclose their salaries to dues-paying members.

Fast forward to the present. Manitoba Labour Minister Vic Toews says duespayers have a right to know how much their union reps are costing them. As part of a package of reforms to the Manitoba Labour Relations Act, union staff compensated in excess of $50,000 will have to disclose their salaries and benefits to members. On balance, long overdue changes to the Act will partially protect the rights of workers and improve union accountability.

Union reps couldn't always get away with dead pan answers to the rank and file. To sign up members and collect dues, union reps like Jimmy Hoffa had to hustle in a free market of competing unions.

With the dawn of automatic dues check-off in 1946, known as the Rand Formula, unions began to lose sight of their customer-orientation. By law, employers would collect union dues from all workers in the bargaining unit, whether members or not, and remit the money to the union. With a guaranteed stream of cash, unions could afford to disregard the rights of dissatisfied individuals and minorities.

The Rand Formula killed the unions' most redeeming quality - voluntary association. Canada and Australia are the only two remaining developed countries that have not yet outlawed mandatory union dues.

For many employees, dues collection is just another payroll tax collected to bankroll an army of unioncrats and political causes. Consider the hundreds of thousands of dollars spent by public sector unions on political advertising during and between elections. How many employees disagreed with the partisan ads but still had to pay for them?

Statistics Canada's Corporations and Labour Unions Returns Act report shows that over $1 billion in dues was collected by Canadian unions in 1992. They spent $366.1 million on union staff salaries, $209.7 million covered office expenses and $169.8 million was spent on "other." Unions finished the year with a $50.3 million surplus. Under the proposed reforms, members will gain free access to information on Manitoba union income and spending, and be free to withhold dues used for political causes.

Clearly, workers should have the right to lock arms in a collective show of force when negotiating contracts. The question is how to balance the benefits of collective action with individual and minority rights? Labour groups argue that employees who benefit from union action should be forced to pay union dues and surrender their rights to the union's monopoly over the bargaining unit.

But the right to join a union must also include the freedom not to be forced to belong or pay dues to a union. Minority groups of employees at odds with a union's party line should be free to join competing unions, organize into a distinct bargaining unit, or negotiate individually with an employer.

The reforms to the Labour Relations Act also favour taxpayers forced to carry the burden of public sector spending. The costs of a mediator, appointed to settle a collective bargaining impasse, will now be divided evenly between government, the union and the employer. At the moment, taxpayers foot the bill for all mediation costs.

Reforms are not the only source of public sector savings. The Filmon government has taken some measures to minimize its role as employer through recent announcements on privatizations and contracting-out of services. The savings go a long way for the average overtaxed family.

Nevertheless, governments are too generous with taxpayer dollars when awarding settlements to public sector unions. Employees in the public sector typically earn wages 20% higher than comparable private sector workers. For every extra dollar awarded to a public sector union, taxpayers are one loonie short.

Governments have to streamline to survive in the 21st century. Given that the lion's share of expenditures goes to pay for work and services, governments can only be as flexible as the people they employ. If public sector employers can create a more democratic and competitive labour relations environment, taxpayers can count on the delivery of cheaper and more flexible government services. ■

Council runs amok in Lorette

by Victor Vrsnik

In what ordinary folk would describe as the "triumph of lawlessness over democracy," the R.M. of Tache Council recently voted to raise property taxes for an infrastructure project beaten by a local referendum last year.

Taxpayers in Lorette are facing a $496,000 tax hike to cover the costs of relocating a new sewage lagoon near Landmark, owing to deficiencies with the existing facility. The balance of the $1.1 million project would be financed by taxpayer grants. The Tache Ratepayers Association opposes the plan and says the existing lagoon can be fixed for $85,000.

Taxpayers turned thumbs down on the relocation project in a referendum held during the October municipal elections. In any other self-respecting Council, the issue would have died with the vote, but not in Lorette. Officials obsessed with constructing a new lagoon have resurrected the project as a direct challenge to the Lorette referendum.

Judging by the vote, Tache Council seems determined to distinguish itself among the more backward jurisdictions in the world where election results are routinely disregarded, and transform the pastoral setting of Lorette into their own little fiefdom. Needless to say, the image won't cut the mustard with local taxpayers and Councillors who voted no to the plan.

A Municipal Order last year canning the project, unless sanctioned by referendum, calls into question the legality of passing the borrowing by-law and the tax hike. The Order may have fallen on deaf ears, but the wording could not be clearer. It states that "*no further action be taken on the by-law unless and until a favourable vote has been attained.*"

Provisions in the *Municipal Act* have also gone unobserved. Section 626(9) was designed to preempt any further action on the *project "where a petition has been filed."* A valid petition was submitted by a majority of eligible Lorette taxpayers, calling for a referendum on the issue before monies be set aside.

As banal justification to push on with the project, the Secretary Treasurer assured Councillors that the new borrowing by-law under consideration was not the same proposal dumped in the referendum. To prove the point, the architects in Council assigned a new by-law number and tinkered around with the financing scheme.

According to a rural development official, the test to determine whether a by-law is different from an old by-law is that the new proposal would have to remedy the objection which originally defeated the old one. But the new proposal still falls short of meeting the objections voiced in the referendum.



Is Lorette town council heading back to the middle ages?

The source of the funding is identical. Lorette taxpayers are still on the hook for nearly half a million dollars. And Landmark residents will still have to put up with smelly sewage in their backyard and falling property values. Nothing substantial has changed.

The vote to disregard the referendum, the Municipal order, and the *Municipal Act* demonstrates Tache Council's indifference to democracy and the law of the land. Councillors who supported the vote should be cautioned from setting a precedent for future violations of referendums, and breaches of trust with taxpayers. ■

Manitoba balance sheet

Assets:

After 20 abysmal years of provincial deficits, Manitoba taxpayers have cause to celebrate. **Finance Minister Eric Stefanson** balanced the books for the 1995/96 fiscal year with a record $156.5 million surplus. The government has targeted the surplus to help pay down the debt, currently running at $6.7 billion. Manitobans pay over half-a-billion dollars in interest payments every year on the debt.

The entire $156.5 million surplus will be transferred to the province's Fiscal Stabilization Fund.

Liabilities

There will be no shortage of line-ups at the taxpayer-funded art trough this year. **The Minister of Culture, Heritage and Citizenship, Harold Gilleshammer,** failed to cut even one dime from the budget of the Manitoba Arts Branch ($4.6 million) and the Manitoba Arts Council ($6.7 million) for this fiscal year. If $11 million seems a small price, don't forget the billions of tax dollars spent subsidizing the arts through the CBC, Telefilm, the Canada Council, university funding, the Winnipeg Arts Advisory Council and so on.

Provincial tax dollars are better spent on debt repayment and essential services. If the government's enthusiasm to protect arts grants baffles any taxpayers out there, perhaps Mr. Gilleshammer can explain why taxpayers should toil to support other people's work and hobbies.

Gilleshammer can be reached at (204) 945-3729. ■

Federal and interprovincial comparison of financial reports for 1995/96 fiscal year

(in $ million)

Province	Surplus /(Deficit)	Balanced Budget Legislation
Alberta	$1,132	Yes
Manitoba	157	Yes
New Brunswick	76	Yes
Newfoundland	4	No
P.E.I.	3	No
Saskatchewan	1	Yes
Nova Scotia	(181)	No
British Columbia	(235)	No
Quebec	(3,969)	No
Ontario	(9,098)	No - pledged
Federal Gov't	(32,679)	No

Prepared by: Intergovernmental Finance Branch, Federal-Provincial Relations & Research, Department of Finance. Not all numbers are final.



They call it "Revenue Diversity"

by Brian Kelcey

A simulated conversation between Winnipeg City Councillor Amaro Silva and Urban Affairs Minister Jack Reimer...

Silva: Winnipeg needs new tax powers.

Reimer: No.

Silva: Winnipeg needs new tax powers.

Reimer: No.

Silva: Winnipeg needs new tax powers.

Reimer: No.

And so on, ad infinitum. At press time, five proposals for new tax powers for Winnipeg have been floated by Councillor Silva in 1996. One proposal called for a Manitoba-wide gas tax hike, with the new cash distributed to all municipalities.

Manitoba Taxpayers Association - Canadian Taxpayers Federation
1211 Richard Ave., Winnipeg, Man., R3E 3H3
Phone: 204-772-3199 or 1-800-772-9955
Fax: 204-772-7970

Thankfully, any formal requests for new tax powers have been laughed off by the Minister of Urban Affairs, Jack Reimer. But, Winnipeg's repeated demands have turned Reimer's department into a defence line for beleaguered taxpayers.

The bizarre death of one new tax proposal offered some hope. On Wednesday, April 24, Council considered the Executive Policy Committee's (EPC) request to get provincial authorization for a new tax on natural gas and water intakes. The new $18 million in tax revenues was to be used to "maintain the freeze on property taxes." In other words, EPC wanted a new tax so it could take credit for freezing another. The same kind of thinking went into Silva's more recent proposal for a 2% tax on house and commercial insurance, which is now before Council.

But Councillor Shirley Timm-Rudolph successfully amended EPC's proposal to read that any money gained from the new tax be used to lower property taxes, effectively creating a "revenue neutral" tax hike. Timm-Rudolph succeeded despite opposition from the Mayor and supposedly anti-tax members of the EPC. Officials from Urban Affairs gave the familiar "no," to even this proposal arguing, quite correctly, that there was no *guarantee* that the new tax dollars would be used as Timm-Rudolph demanded.

Over the years, City Hall bureaucrats have said these new tax ideas are simply "revenue diversification." The administration's theory is that new taxes will reduce the city's reliance on property taxes. The fact that this is a nice justification for a net tax increase is usually left out of the calculation.

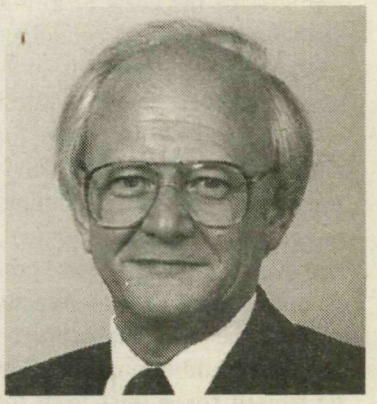
The bureaucrats also argue that other cities have lower property taxes because they can rely on other tax powers. But these other cities also receive smaller provincial subsidies.

For example, Edmonton and Calgary receive between 6.0 and 6.5% of their revenue from the Alberta government while Saskatchewan's share of the Saskatoon and Regina budgets sits at approximately 8.5% and 7.5% respectively. Even excluding social assistance grants, Manitoba's contribution to Winnipeg tops the chart for prairie cities with a 10.6% share.

While municipalities in other provinces were crying foul at provincial grant reductions of up to 22% this year, poor 'ol Winnipeg stands tall with a net increase of 1.3% in 1996-97. Since 1990, net provincial assistance to Winnipeg - not including social assistance subsidies - rose by 30%.

Yet, the pressure for Reimer to say "yes" to the tax hungry gang in Winnipeg has grown, not declined, since April. City Hall increased its corporate communications budget for 1996-97 by over half a million dollars. Thanks to Amaro Silva's delusionary perception that his City has a communications problem and not a spending problem, Winnipeg taxpayers will be forking over $50,000 for a new P.R. assistant to put a better media spin on the City's tax-and-spend agenda. And a recent mini-scandal over $20,000 worth of propaganda leaflets as part of its revenue diversity campaign shows that City Hall's desire for tax powers is far from dead.

Silva and his allies believe that "revenue diversity," - to use the hip political phrase - "makes the optics better." But, no matter how good the spin, taxpayers just aren't that stupid. We all know that revenue diversity is another way of saying "tax hike." ■



Urban Affairs Minister Jack Reimer

NO WAY AVA

by Paul Pagnuelo

Al Leach, the former head honcho of the troubled Toronto Transit Commission, has just taken a wrong turn and is racing down a track with a faulty safety switch. In his new job as Ontario's municipal affairs minister, Leach has driven the entire Harris government caucus to the edge of a political cliff with his proposed reforms on property tax assessment.



With changes in property tax assessment, people could be driven out of their homes.

But before the Tory cabinet and backbenchers crash and burn into political oblivion, they might want to ask the engineer of their AVA train if he has any idea of where they are or how they got there.

After months of speculation as to the direction the Harris government would take on property tax assessment reform, it's now clear - at least to taxpayers - that Leach followed the route carefully mapped out for him by the provincial assessment bureaucracy.

Ever since the Golden Task Force on the GTA recommended Actual Value Assessment (AVA) back in January, the municipal affairs minister has been a strong advocate for its adoption. So strong, that Leach completely ignored the subsequent warnings of the Burnham GTA Panel which he set up to gather public input on Golden's recommendations.

The Burnham Panel found there was widespread public opposition to AVA. In Metro Toronto as a whole, deputants opposing AVA outnumbered its supporters by more than three to one. In the 905 GTA areas, the margin opposed was almost two to one. In Halton Region, which is the only part of the GTA currently moving towards market value assessment, opposition was even more pronounced with a margin of five to one.

Very few of the briefs favouring AVA were from taxpayers. Instead, they were all from public officials and professional organizations.

Leach then turned to Toronto's former mayor, David Crombie, for advice on how to reform the property tax system. Crombie's "Who Does What Advisory Panel" reported back in record time and the Harris government accepted its recommendation that AVA be adopted on a province-wide basis.

In his letter to the municipal affairs minister, Crombie said "What is needed is an updated property tax system that is fair, effective and stable; stops the erosion of the tax base through appeals; provides a common base for inter-government cost and revenue sharing and engenders appropriate accountability."

A laudable objective indeed. Unfortunately, AVA is probably the worst possible system for assessment.

As David Vallance, chair of the Confederation of Resident and Ratepayer Associations said in reaction to the government's decision, "AVA is not the solution to restoring fairness and equity to the process." And John Hogg, co-chair of the Oakville Citizens Committee on Property Tax Reform added, "AVA is probably the most unstable system of assessment that has ever been devised."

Tax Fact:
Ontario continues to hold the record for the highest property taxes in Canada. In 1996, the average Ontario family will pay $2,600 or $199 more in property taxes than it did in 1995. British Columbia is next at $1,910.

Tory MPPs would be wise to demand of Leach a plausible explanation as to why he chose to ignore alternatives, such as Unit Assessment, which would have met all the criteria that taxpayers and the Harris government were looking for.

What is truly surprising in all of this is that a government that prides itself on change and on responding to the people of Ontario who have asked it to chart a new course has fallen prey to the influence of the provincial bureaucracy.

AVA simply tinkers with the status quo. Other than fulfilling the dreams of the provincial assessment bureaucracy, it will lead to a one-term government that had the potential and opportunity to make radical but sensible change to our property tax system. ■

What is behind Actual Value Assessment?

by David Vallance

What is driving the Minister of Municipal Affairs to adopt an assessment system that is found to be lacking in fairness, comprehensibility, stability and low administrative costs by almost every resident and taxpayer group that has looked at it carefully?

A study of any municipal financial statement will show that somewhere between 60% and 80% of the costs of a municipality, excluding school or welfare costs, is for soft services. This means that the largest chunk of the tax bill goes for police, government itself, environmental services, planning, recreational and health services, and even a large part of fire protection, which do not directly relate to the individual property.

One could argue that all of us benefit (or suffer) from the cost of these things on the same basis. Should a house worth a million dollars be taxed at 10 times as much as a house worth $100,000? Statistics show that police protection for individual properties is virtually non-existent. We all share in the need for government service although we may not use it directly. It may be that the $100,000 house costs several times as much for the municipality to service as the $1 million house for whatever reason. The point is that the value or even the size of a property bears little relationship to the cost of municipal services.

Andre Carrel, the city administrator for Rossland, BC, who has studied the subject carefully, says, "I believe that debating assessment methods may be an interesting and no doubt challenging academic debate. Unless that debate is staged in the context of the purpose for which the taxes are being levied, it remains an academic exercise. It would be most difficult and ultimately impossible to find a single method of assessment to achieve both equity and fairness for the taxpayer." Mr. Carrel has hit at the central point of this whole debate. The assessment of property is really only the beginning point of the actual taxation.

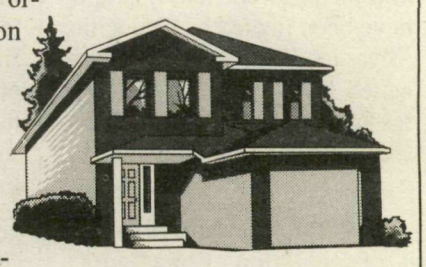
The Confederation of Resident and Ratepayer Associations has spent a year promoting Unit Assessment. Of concern is the high cost of using any value based system. The cost is not just in the assessment process, it is the instability and disruption to peoples' lives as values shift from year to year. Uncertainty is very destructive. Spending and accountability also have a big part in the debate.

Actual Value Assessment (AVA) is NOT working in Vancouver, and only works in Rossland B.C. because Mr. Carrel has persuaded the town to adopt a property tax system that only uses AVA for about 40% of the tax bill. Ontarians are not likely to be as fortunate as Rossland and will wind up with the poison of AVA and a complex set of antidotes offered by David Crombie like Vancouver has been trying to find. ■

David Vallance is a member of the Confederation of Resident and Ratepayer Associations.

Property Tax Conference

The City of Toronto is organizing a conference on AVA and alternative assessment systems tentatively scheduled for early November, 1996.



Speakers

Speakers will be featured who are qualified to describe the AVA system in B.C., as well as the alternative systems being used internationally.

For further information call: 1-416-342-7571 or 416-392-7718

Alternative assessment systems available

by John Hogg

Would you like the government to tell you how to earn your income? Not likely. But that's exactly what provincial governments are doing to municipal governments by controlling the assessment method used to determine property taxes.

All of the assessment systems in Canada are based on some form of property market value. In B.C., property taxes are based on Actual Value Assessment (AVA) and each year values are updated. Because values in different communities change at different rates, the amount of the tax pie they are responsible for changes annually. This makes planning difficult and it is costly for taxpayers to maintain.

Ontario uses various systems of Market Value Assessment (MVA). They can be broken into two basic types; factored or non-factored. The factored system is supposed to maintain each class's share of the tax pie (residential, commercial and others) before and after an update. The non-factored system allows for the shifting of taxes between different classes of properties.

Ontario's timing of updates can also vary. When a county, region or metropolitan area has opted for an upper tier wide system the market values are updated every four years. When the upper tier is not used the updates are at the request of the lower tiers (towns or cities). For the most part the upper tier system is used in Ontario.

Obviously, the province's assessment system is in a mess and needs to be reformed. Metro Toronto's property values are based on 1940 values with newer homes being more up to date than older ones. Much debate has taken place as to how to update the system and the Harris Cabinet seems bent on implementing B.C.'s AVA, much to the disappointment of many and much to the glee of the bureaucrats.

AVA is expensive and labour intensive and uses the questionable standard that properties of the same value should pay the same taxes. It is unstable and ineffective and there are other alternatives such as unit assessment which uses size to assess property taxes.

Dr. Peter Tomlinson recently completed a study of different systems used around the world and presented his findings to the Crombie Panel and the Town of Oakville Council.

A review of the accompanying table will show the merits of the other systems used around the world as described by Dr. Tomlinson. The most beneficial systems are "one time only" assessments which greatly reduce the cost of the bureaucracy and provide for stability.

However, the Crombie Panel recommended that the Harris government adopt the expensive AVA system. Obviously, this is a complicated issue and much of the advice would have come from the bureaucracy, who have a self-serving interest to make sure the number of their jobs is increased – not decreased.

By the time AVA is implemented in January 1998, the Harris government will be jumping on the election train. However, with property tax shifts still fresh in the minds of the electorate, Harris could be in for a rough ride. ■



Premier Mike Harris' next election call could coincide closely with major changes in how property tax is assessed. The electorate will be in an owly mood.

John Hogg co-chairs the Oakville Citizens' Committee on Property Tax Reform and can be reached by phone (905) 827-6580, fax (905) 827-1698 or email to: johnhogg@spectranet.ca



Charter Schools Conference

October 4-5, 1996
Sheraton East Hotel,
Scarborough, Ontario



Sponsors: Ontario Coalition for Education Reform & Society for Advancing Educational Research

Featured speakers (among others):

Dr. Joe Nathan: Director of the Center for School Change & former advisor to President Bush.
Dr. Joe Freedman: Significant player behind Canada's first charter school legislation.

Charter schools are one promising strategy for reforming the education system. These schools maintain the principles of public education and are being established around the world. **Charter schools encourage innovative teaching, promote accountability, improve student learning and promote community involvement.**

Registration Fee: $60 ($65 after Sept. 7) For more information: Write, phone or fax - Victoria Hall Box Office, Cobourg, Ont. K9A 2M2 Phone/Fax 905-372-2210

Summary of Dr. Peter Tomlinson's presentation to Oakville Town Council on July 2, 1996

Review of different assessment systems

Assessment System	Equity Standard	Notes
Market Value Assessment (Ontario)	properties of equal value pay equal taxes	updated every four years
		continuous shifts in taxes
		expensive to maintain
		not understood by taxpayer
Actual Value Assessment (B.C.)	properties of equal value pay equal taxes	updated every year
		continuous shifts in taxes
		expensive to maintain
		more transparent than MVA
Unit Assessment (Israel)	properties of equal physical measurements pay equal taxes	one time only reassessment
		one time shift in taxes
		inexpensive to maintain
		understood by taxpayer
		few appeals
Unit Value Assessment (Germany)	properties of equal physical measurements pay equal taxes - adjusted for market values	same as unit assessment except adjusted for market value
		can produce volatile tax shifts as factors are updated
United Kingdom Council Tax	properties of roughly similar market values (as of an agreed upon base year) pay the same taxes; no update cycles by design	one time only reassessment (reassessment may occur upon sale if improvements done by previous owner)
		no monetary assessments
		property placed in one of eight bands
		appeal costs low
		tax variation is less than value variation
Acquisition Price Assessment (Proposition 13) (California, Florida)	properties should pay the same taxes if they are acquired for the same price (has modest inflation factor of 290)	the price you pay is your assessment
		assessment frozen while you own property
		started in California and later in Florida
		upheld by U.S. Supreme Court - since new purchaser knows taxes beforehand
		rewards long time residents/seniors
		only system designed by taxpayers

Handouts to women's groups

The following is a list of some of the grants and contributions provided by the Women's Program of the Department of Human Resources Development Canada, Social Development and Education Group for fiscal year 1993-94. That year the federal government handed out over $9.7 million in grants and contributions under this program.

The list includes the name of the organization, the purpose of the funding and the amount they received.

Ad Hoc Committee on Legal Rights for Farm Women, Ottawa - The beginning of a study and action plan concerning the legal issues affecting farm women. 21,000

Association des Collaboratrices et Partenaires en Affaires, Saint-Hubert - To fund the ACPA's regular activities and support its infrastructure in order to encourage the socio-economic recognition of women as business partners. 97,159

Association Feminine d'Education et d'Action Sociale, Montreal - Five projects, the themes of which include women and life. 81,372

Black Law Students' Assoc. of Canada, Toronto - To publish a document highlighting the barriers for black women in the legal profession. 30,000

B.C. Farm Women's Network, Mount Lehman - To organize the 6th National Farm Women's Conference. 19,500

B.C. Institute of Family Violence, Vancouver - National distribution of a video and facilitation tool on the stages and steps which women survivors from various backgrounds and cultures should follow when testifying in court. 12,000

Canadian Assoc. of School Administrators, White Rock - Implementation of five pilot projects aimed at the integration of comprehensive policies on equality. 35,500

Canadian Committee on Women's History, Edmonton: Teaching Women's History: Challenges and Solutions - Conference and Manual. 15,890
Women's History Month - Herstory of Work: Recognizing Women's Contributions. 16,410

Canadian Congress for Learning Opportunities for Women, Toronto: This grant will meet the basic operating costs of CCLOW and enable the group to maintain a stable infrastructure. 155,098
To establish a plan of action for sharing resources with national women's groups. ... 29,970

Canadian Farm Women's Education Council, Davidson - National farm women's training project-phase 3. 25,000

Canadian Farm Women's Network, Mount Lehman, B.C. - This activity follows the project subsidized last year, on the theme of spousal violence in rural areas. 20,000

Canadian Hispanic Congress Inc. - Women's Committee, Mississauga - Hold a conference in Toronto dealing with family violence, child care, and women's health. 16,700

Canadian Research Institute for the Advancement of Women, Ottawa: Support CRIAW's operating expenses in 1993-94. 224,293
Expanding the Healing Circle - 17th Annual CRIAW Conference 10,124

Canadian Teachers' Federation, Ottawa - Organize activities to improve the quality of life of adolescents in terms of equality, career choices, violence and health. 42,000

Child Care Advocacy Assoc. of Canada, Ottawa - To assist in maintaining the organizational infrastructure of a national organization. 164,985

Comite Ad Hoc pour l'Acces des Femmes au Monde de la Musique, Chicoutimi - Organizing a festival in order to improve women's access to the world of music. 5,000

Comite Organisateur du Sommet des Femmes, Shippagan - Ensure representation by Acadian women at "Retrouvailles 94". 38,000

Congress of Black Women of Canada, Regina - Organize a three day educational and strategic planning forum. 15,000

Disabled Women's Network Canada, Montreal - Survey women with disabilities to develop a plan of action for DAWN. 82,250

Federated Women's Institutes of Canada, Ottawa - Hire a consultant to prepare the minutes of the national meeting. 10,500

Federation Nationale des Femmes Canadiennes Francaises, Ottawa - To support the infrastructure and the basic and regular programming of the Federation. 91,810

Gender and Science and Technology Assoc., Toronto - Organizing the 7th biennial intern'l conference on women, science and technology. .. 10,000

Inanna Publications and Education Inc. - Canadian Women Studies, North York - Distribution of a special issue of the quarterly journal devoted to the topic of women and disability. 35,000

Interim Beijing Coordinating Committee, Ottawa - Preparing for Beijing: Short Term Proposal. . 65,000

National Action Committee on the Status of Women, Toronto - Support for the maintenance of NAC's infrastructure. 270,000

National Assoc. of Women and the Law, Ottawa - To assist in maintaining the organizational infrastructure of a national organization. 189,564

National Council of Jewish Women of Canada, Winnipeg - To hold a full-day conference on women's issues. 11,847

National Council of Women of Canada, Ottawa - Operational funding to enable the NCWC to maintain a national office. 34,425

National Farmers Union Women's Committee, Saskatoon - Partnership program for a three-day meeting in February 1994 in Ottawa. 18,000

National Organization of Immigrant and Visible Minority Women of Canada, Ottawa - Seven month project to address issues of young women, wife assault, foreign credentials and strengthening



In September 1995, the federal government created quite a controversy at the fourth annual women's conference held in Beijing China, when feminists funded in part by Ottawa tried to hijack the agenda of the conference. In the process, they offended a number of women's groups from around the world who had no interest in their radical views.

communications. 58,415

National Watch on Images of Women in the Media Inc., Toronto - This grant will maintain the group's infrastructure. 153,105

Nouveau Depart National Inc., Montreal - To support the infrastructure and regular activities of Nouveau Depart. 40,379

People First of Canada, Toronto - Two days of workshops to establish the strategic women's committee. 31,200

R.E.A.L. Women of Canada, Ottawa - 1993 Annual Conference called Toward a Caring and Just Society. 13,193

Relais-Femmes de Montreal Inc., Montreal - Program funding 1993-94. 85,106

Reseau National d'Action Education Femmes, Ottawa - Program Funding 1993-94. 57,525

Resources for Feminist Research, Toronto - Production and publication of a special issue of the Resources for Feminist Research quarterly journal. 20,000

WITT National Network Women in Trades Technology Operations and Blue Collar Work, Winlaw - Strengthening Foundations: Building Bridges to the Future, A National Conference. 47,147

Women in the Media Network, Ottawa - Looking back, Moving Forward - Women in the Media 4th National Conference. 13,500

Women's Legal Education and Action Fund, Toronto: Program Funding 1993-94 209,023

The Women's Legal Education & Action Fund 50,300

Women's Reference Group, Toronto - Grant for "Towards a Women's Agenda on Training" project. 30,725

Women's Research Centre Vancouver, Vancouver - Program funding 1993-94. 70,927

Women's Resource Centre, Winnipeg - Ensemble Pan-Canadian Women's Centre Conference. 60,000

ALBERTA

Alta. Assoc. of Sexual Assault Centres, Edmonton: Hold provincial meetings in Alberta's seven sexual assault centres to address common issues. . 17,500
To hold provincial events for sexual assault centres, in order to raise funds. 19,500

Alta. Coalition Against Pornography, Calgary -Educating the public on legal advances in the pornography struggle. 13,500

Alta. Committee of Citizens with Disabilities, Edmonton - ACCD plans to establish a provincial network of women with disabilities in Alta. 15,000

Alta. Council of Women's Shelters, Edmonton - Program funding 1993-94. 63,000

Alta. Farm Women's Network, Edmonton - AFWN newsletter. 13,000

Alta. Federation of Women United for Families, Lethbridge - Annual general conference 2,000

Alta./Northwest Territories Network of Immigrant Women, Calgary - Economic equality/access, participation and promotion. 13,500

Alta. Status of Women Action Committee, Edmonton: Program funding 1993-94. 92,880
Women Against Poverty Report Update. .. 5,300

Alta. Women in Support of Agriculture, Nanton - Assisting farm women to attain equality 4,000

Alta. Women's Institutes, Edmonton - January leadership workshop. 7,300

Arctic Public Legal Education and Information Society, Yellowknife - Victims of Crime Handbook. 4,000

Azimuth Theatre Assoc., Edmonton - Armour: a research-based drama about dating violence. . . 3,000

Baffin Regional Agvvik Society, Iqaluit - Baffin Regional Women's Conference 35,000

Calgary Coalition on Family Violence, Calgary - Prevention of family violence. 22,790

Calgary Immigrant Women's Assoc., Calgary - Program funding 1993-94. 13,500

Calgary Status of Women Action Committee, Calgary - Strategies for Alliance: project focusing on the removal of internalized racism and existing barriers preventing the alliance between diverse women's groups. 21,600

Calgary Women Looking Forward Networking Society, Calgary - Connecting a diverse women's community. 21,600

Canadian Congress for Learning Opportunities for Women Northwest Territories Network, Yellowknife - Academic preparation and career planning for adolescent girls in the Northwest Territories. ... 10,000

Central Alta. Women's Outreach Society, Red Deer - A rural outreach project. 26,100

Changing Together a Centre for Immigrant Women, Edmonton: Program funding 1993-94. 12,600
A series of workshops to organize and to develop leadership, networking and advocacy skills. 11,500

Comite Regional Prescolaire, Falher - Organize a series of long workshops on family violence, sexual assault and the elimination of discriminatory practices. 5,000

Crowsnest Pass Women's Resource and Crisis Centre, Blairmore - Promoting economic opportunity & social justice for women in Crowsnest Pass . 12,000

Edmonton Business and Professional Women's Club, Edmonton - Workshop series "Women Centred Management. 12,000

Edmonton Council Against Family Violence, Edmonton - A coordinated response to spousal abuse in Edmonton. 26,500

Edmonton Immigrant Women Against Family Violence, Edmonton - A community strategy conference on Immigrant Women & Family Violence. 9,000

Edmonton Vietnamese Women's Program, Edmonton - A series of community consultations to determine the obstacles Vietnamese women face in accessing services 2,350

Edmonton Women's Shelter Ltd., Edmonton - A series of workshops to provide education and training for women employed in shelters. 12,000

Elizabeth Fry Society of Edmonton, Edmonton: A qualitative study of women who have been in conflict with the law & who have been successful in becoming productive members of society. 5,775
Mothering, When A Woman Gives Up Her Children. 12,000

Federation Franco Tenoise, Yellowknife - Territorial meeting of Elles-TeNoises. 10,000

Independent Living Resource Centre of Calgary, Calgary - Overcoming barriers to violence for women with disabilities. 18,000

Indo Canadian Women's Assoc., Edmonton: Program funding 1993-94. 12,600
Family Violence Education Initiative: Video Drama On Wife Assault in the South Asian Context. 7,750
Conference on the impact of fundamentalism on the status of women. 3,500

Lethbridge Native Women's Transition Home Society, Lethbridge: Native women transitional home and day care. 5,000

Native Women's Association of the Northwest Territories, Yellowknife - Development of a strategic planning process. 20,000

Northwest Territories Assoc. of Family Violence Prevention Workers, Inuvik - Organizational development project. 10,000

Peace Country Crisis Assoc., Peace River - Public awareness project. 9,770

Peace River Regional Women's Shelter, Peace River - Service delivery enhancement plan. 11,000

Pincher Creek Women's Emergency Shelter Assoc., Pincher Creek - Needs assessment survey. . . 5,870

Public Awareness of Sexual Stereotyping and Pornography (Society), Edmonton - Program funding 1993-94. 25,200

Rocky Mountain House Women's Group, Rocky Mountain House - RMHWG activities. 6,000

Sappujijijt Friendship Centre, Rankin Inlet - Keewatin Regional Women's Conference. 10,000

Sexual Assault Booklet Committee, Yellowknife - Produce sexual assault booklets for NWT. 3,000

Speak Up Committee, Pincher Creek - A voice for rural women in media. 5,200

Training and Employment Network for Women in Alta., Calgary - Net-Working Conference. 2,000

Womanspace Resource Centre Lethbridge - An eight-month project whose goal is to bring together diverse organizations working in service of women's economic equality. 19,000

Women in Scholarship, Engineering, Science and Technology, Edmonton - Organizational development of UAYs (pronounced U-A-WISE, groups sharing strategies for professional advancement and learning). 15,500

Women's Collective and Resource Centre Society, Calgary - Harassment of women on campus, awareness and safety techniques. 10,000

Women's Resource Society of Fort McMurray, Fort McMurray - Program funding 1993-94. 9,900

Women's Community Action Team, Yellowknife - Publish two resource books and a trainer's manual to be used to train women's groups. 10,000

Working Women's Hotline Society, Edmonton - Program funding 1993-94. 22,300

Zhahti Koe Society, Fort Providence - Regional women's conference. 36,000

BRITISH COLUMBIA

Aboriginal Women's Council of B.C., Vancouver - Women at risk. 15,000

B.C. and Yukon Assoc. of Women's Centres, Nanaimo - Regional networking. 23,200

B.C. Women's Institute, Langley - Empower women to build a better tomorrow. 5,700

Campbell River and District Museum and Archives Society, Campbell River - Collect archived information regarding women's work and lives in the fishing and forestry communities of Northern Vancouver Island between 1915 - 1945 and to produce new videos on this topic. 13,935

Campbell River Area Women's Resources Society: Program funding. 23,283
Student awareness & prevention pilot project.2,310

Canadian Federation of University Women Kelowna - *Research into affordable housing options in Kelowna.* 5,000

Chetwynd Women's Resource Society, Chetwynd - Program funding 1993-94. 24,966

Concerned Women for Education and Training, Burns Lake - WETC Regional Workshop 10,550

Contact Women's Group Society, Williams Lake - Program Funding 1993-94. 17,595

Cranbrook Women's Resource Society, Cranbrook - Program funding 1993-94. 19,737

Downtown Eastside Women's Centre Assoc., Vancouver - *Women's Views and Concerns - Phase One - Accessibility Research Project.* 10,000

End Legislated Poverty Society, Vancouver - Province-wide consultation on social security reform with low-income and unemployed women and individuals with disabilities. 11,630

Equal Justice for Women, Prince George - Court watch development programs. 7,632

Fernie Women's Resource and Drop-In Centre, Fernie: Program funding 20,322
Co-ordination of committees, delivery of training workshops and establishment of a communication system. 23,880

Fort Nelson Women's Resource Society, Fort Nelson - Program funding 1993-94 12,312

Fort St. John Women's Resource Society, Fort St. John - Program funding 1993-94 22,896

Girls in the 90's Steering Committee, Surrey - Girls in the 90's workbook process. 11,920

Golden Women's Centre Society, Golden - Program funding 1993-94. 13,680

Greater Victoria Women's Shelter Society, Victoria - Documentation of an innovative community development process used in the Victoria Community Development Project. 15,000

Howe Sound Women's Centre Society, Squamish - Program funding 1993-94. 14,684

Island Women of Native Ancestry, Nanaimo - Communication network for aboriginal women of Vancouver Island. 5,000

Kamloops Women's Resource Group Society, Kamloops - Program funding 1993-94. 20,691

Kelowna Women's Resource Centre Society, Kelowna - Program funding 1993-94. 19,089

Matsqui Abbotsford Community Services, Abbotsford - Women's Support Group: a project of skill development for visible minority women. 4,943

North Island Students' Assoc., Campbell River - Island Women Speaking: Discussing Policy and Power - three day workshop. 13,239

North Island Women's Services Society, Courtenay - Program funding 1993-94. 24,057

North Okanagan Social Planning Society Elder Abuse and Neglect Committee, Vernon -Community response to abuse of older women. 9,166

North Shore Women's Centre Society, North Vancouver - Program funding 1993-94. 14,535

Penticton and Area Women's Centre Society, Penticton - Program funding 1993-94. 12,834

Port Alberni Women's Resources Society, Port Alberni - Program funding 1993-94. 23,715

Port Coquitlam Area Women's Centre Society, Port Coquitlam - Research project - Women and the Health Care System. 20,000

Promotion Plus Girls and Women in Physical Activity and Sport, Vancouver - "On the Move" community pilot project. 10,000

Quesnel Women's Resource Centre Society, Quesnel - Program funding 1993-94. 24,480

Reseau Femmes Colombie-Britannique, Vancouver - 1993-94 planning. 18,500

Richmond Women's Resource Centre Assoc., Richmond - Program funding 1993-94. 17,208

Shuswap Family Resource and Referral Centre Society, Salmon Arm - Women in Focus -Housing Project. 5,250

South Island Women in Trades and Technology Society, Mill Bay - Women in Trades and Technology Regional Conference. 2,000

South Okanagan Violence Intervention Assoc., Penticton - Research on legal issues in family violence. 11,500

South Surrey/White Rock Women's Place Assoc., Surrey - Program funding 1993-94. 21,114

Steering Committee Women and Sustainable Development Canadian Perspectives Conference, Vancouver - Activists & researchers will together examine models of sustainable development of relevance to women as part of a national conference. 23,000

Surrey Delta Immigrant Services Society, Surrey - To assist women from a variety of ethno-cultural communities to develop the skills and knowledge to link with provincial community consultation and related trends. 8,026

Tamitik Status Of Women Assoc., Kitimat - Program funding 1993-94. 15,264

Terrace Women's Resource Centre Society, Terrace - Program funding 1993-94. 27,693

Trail Family and Individual Resource Centre Society, Trail - Ritual abuse - needs and services for survivors in the West Kootenay Area. 9,520

United Native Nations Friendship Soc, Vernon - First Nations women's task force - healing circle. . . 4,600

Upper Fraser Valley Transition Society, Chilliwack - An initiative among transition houses serving a largely rural and semi-rural area to determine and agree upon working definition of feminism . . . 4,250

Vancouver Society of Immigrant and Visible Minority Women, Vancouver - Working towards economic equality. 15,000

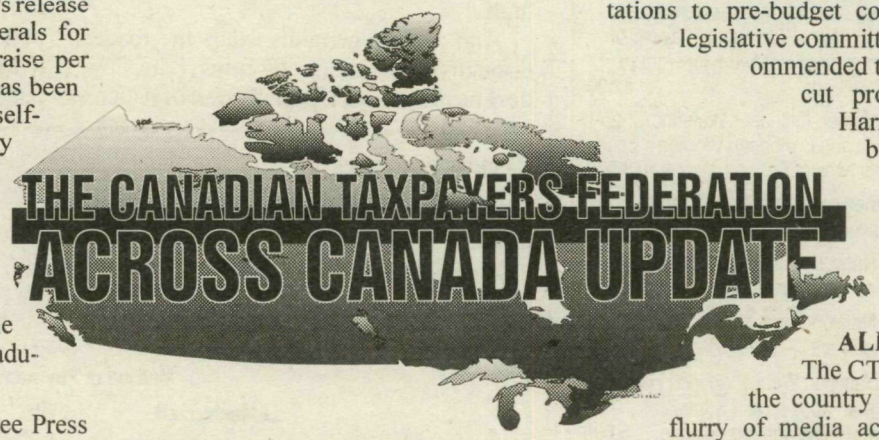
Vancouver Status of Women, Vancouver: Program funding. 57,681
Vancouver Status of Women Action Plan. 13,600

Vernon and District Women's Centre Society, Vernon - Program funding 1993-94. 23,715

Victoria Faulkner Women's Centre, Whitehorse - Program funding 1993-94. 26,784

Victoria Status of Women Action Group Society, Victoria - Program funding 1993-94. 21,195

Victoria Women in Trades and Technology Society, Sooke - Women in Trades and Technology Re-



VANCOUVER - Troy Lanigan and the **Canadian Taxpayers Federation** were profiled in an article published in the July '96 issue of *B.C. Business Magazine*. The CTF was also quoted extensively on the issue of MLA pensions in the same issue.

REGINA - The STA issued a news release commending the opposition Liberals for committing to return a $4,400 raise per MLA this year. **Moira Wright** has been pushing MLAs to refuse this self-awarded increase since February and only the NDP MLAs have refused. Media coverage has been extensive.

WAWOTA, SK - Moira Wright was the guest speaker at the graduation ceremonies of the Wawota High School. Moira graduated from the school in 1987.

WINNIPEG - The Winnipeg Free Press ran a full page article on **Brian Kelcey** of the Manitoba office. The article highlighted the CTF/MTA's prominent role in Manitoba politics.

TORONTO - Paul Pagnuelo, Executive Director of the Ontario Taxpayers Federation, appeared on the syndicated Chronicle and Roy Green Talk Line discussing the arrival of Tax Freedom Day.

WINNIPEG - The Winnipeg Free Press ran two feature articles authored by Manitoba's **Victor Vrsnik** regarding the tax burden on young Canadians and provincial labour law reforms.

EDMONTON - The Alberta government released its 1995-96, financial results on June 24th, showing a $1.1 billion surplus. James Forrest of the ATA stressed that the money must go to debt reduction according to the balanced budget law which the ATA fought for in 1991-1993.

TORONTO - Paul Pagnuelo, in presentations to pre-budget consultations and legislative committee hearings recommended that the 30% tax cut promised by the Harris government be phased in over 3 years in 6 month intervals.

ALL OFFICES - The CTF offices across the country responded to a flurry of media activity after the Fraser Institute released its annual report on Tax Freedom Day. That's the day when average Canadians finally start working for themselves instead of the government. Canada's Tax Freedom Day this year is June 25.

VICTORIA - Troy Lanigan, Executive Director of the BC office of the CTF has continued to criticize the BC government for wasting tax dollars on business loans and grants. Troy did a national talk show on the subject of a $15-million government loan to Princeton Mining Company. Princeton's partner in the project is less-than-needy Mitsubishi Corporation of Japan. To top this off, the government wrote off a $28-million loan to Princeton just two years earlier.

BUDAPEST, HUNGARY - Jason Kenney, President of the Canadian Taxpayers Federation, was one of the featured speakers at the International Taxpayers Conference held the last week of June. He was invited to speak on the CTF's success in implementing Taxpayer Protection Legislation in Canada, and to receive an award recognizing the Federation's efforts.

EDMONTON - James Forrest addressed the Avenue of Nation Rotary Club on July 18th. He talked about the CTF's Taxpayer Protection Amendment and Ottawa's fiscal predicament.

gional Conference..... 2,000

West Coast Domestic Workers Assoc., Vancouver - Breaking the Silence: Establishing a provincial network for live-in domestic workers,..... 19,587

West Coast Womenfutures Community Economic Development Society, Vancouver - Making women count in community economic development. 30,000

West Kootenay Women's Assoc., Nelson: Program funding 1993-94..... 24,480

To revise and print a resource kit on role modelling for young women at school..... 8,830

Educational workshops for high-school students on feminism and equality issues..... 2,557

Winning Women Committee for Political Skills, Vancouver - The development of seminars and promotional tools aimed at those for the identification of women candidates and appointments to Board and Commissions..... 12,000

Women and Work Research and Education Society, Burnaby - A review of women, jobs & wages. 36,370

Women for Better Wages, Vancouver - Sectoral Bargaining Project - An Initiative for Women in the Workforce..... 9,030

Women's Building Project Coalition, Victoria - Child Care Needs Assessment, downtown Victoria. 10,594

Women's Employment and Training Coalition, New Westminster: Towards a provincial women's employment and training coalition..... 25,000

Towards education and training policies that work for women..... 16,400

Working Group on Industrial Homework, Vancouver - Advocacy & research on industrial homework. 15,835

Yukon Status of Women Council, Whitehorse - Program funding 1993-94..... 21,195

MANITOBA

Ad Hoc Committee on Violence & Sexism in Children's Toys & Entertainment, Winnipeg -Breaking the Link - Information Kit & Workshops. .. 7,000

Ad Hoc Damsels in Distress Conference Steering Committee, Winnipeg - Damsels in Distress: A Man. Sequel Conference..... 19,000

Canadian Congress for Learning Opportunities for Women Man. Division, Winnipeg - A Women's Guide to University Resources..... 10,000

Community Legal Education Assoc. Man. Inc. Women's Issues Committee, Winnipeg -Publication of a Women's Legal Handbook..... 13,820

Fort Garry Women's Resource Centre Inc., Winnipeg - Resource pamphlets and public education. 12,000

Groundswell, Winnipeg - Produce a new music concert designed promoting women's participation in the arts..... 2,500

Immigrant Women's Assoc. of Man. Inc., Winnipeg: . Program funding 1993-94..... 16,200

Symposium on immigrant women and the generational gap..... 8,000

Independent Living Resource Centre Women's Pamphlet Sub-Committee, Winnipeg - Women With Disabilities, Creating Awareness About Abuse... 6,000

Lakeshore Women's Resource Centre Inc., Ashern - Public education in family violence..... 4,400

Man. Action Committee on the Status of Women, Winnipeg - Program funding 1993-94..... 122,400

Man. Assoc. Against Sexual Harassment, Winnipeg - Partnership Conference "Sexual Harassment: Making a Difference"..... 18,000

Man. Assoc. of Women and the Law, Carman - Research on fairness and family law..... 30,000

Man. Chapter of the Canadian Assoc. of Women in Science, Winnipeg - Developing a Gender and Racial Sensitive Curriculum (workshops)..... 7,500

Man. Committee for Un End of Decade for Women, Winnipeg - A two-day conference on the rights of women..... 20,700

Man. Farm Women's Conference Planning Committee, Somerset - 1993 conference..... 10,000

Man. Government Employees' Union Women's Committee, Winnipeg - "Women at Work" A Video Perspective on Women in the Workforce..... 15,000

Man. Women in Law Enforcement Inc., Winnipeg - Training Conference..... 2,000

Man. Women's Institute, Winnipeg - Organization renewal..... 12,000

Mentoring Artists for Women's Art Inc., Winnipeg - Production and distribution of six 30 second vignettes for public broadcasting dealing with issues of social justice for women..... 18,000

Native Women's Transition Centre Inc., Winnipeg - Develop a culturally appropriate program to encourage self-reliance & independence amongst Aboriginal women who are users of urban shelters.. 30,000

North End Women's Centre Inc., Winnipeg - Research into single mothers & family violence. 15,000

Northern Women's Resource Service Inc., Flin Flon - Community action to stop violence..... 13,000

Original Women's Network, Winnipeg - Broadcasting of radio series on family violence from an Aboriginal women's perspective..... 5,500

Pluri Elles Man. Inc., Saint-Boniface: To organize volunteer training, awareness and promotion sessions on the status of Franco-Man. women..... 9,000

Organization of strategic planning session to better meet the needs of Francophone women. 6,000

Reseau, Saint Boniface: Program funding.... 24,480

Planning & activities to establish viable programming at the transition house..... 3,000

Swan Valley Crisis Centre, Swan River - Zero Tolerance of Violence Against Women Workshops. 3,000

Thompson Crisis Centre Inc., Thompson - Zero Tolerance of Violence Against Women Workshops. 9,000

Thompson Women's History Group, Thompson - Women's History Month Celebration 1993.... 4,800

University of Man. Women's Centre, Winnipeg - Series of workshops and lectures to promote action on the elimination of discrimination..... 3,500

Women and Mental Illness Planning Committee, Winnipeg - Women and Mental Illness Community-Based Play Project..... 18,000

Women Healing for Change Inc., Winnipeg - Organizational Seminar..... 4,000

Women's Resource Centre, Winnipeg - Organizational Planning Workshop..... 6,500

ONTARIO

Action Center for Social Justice, Ottawa - Low Income Women's Brainstorming Conference.. 21,000

Action Ontarienne Contre la Violence Faite aux Femmes, Ottawa - Plan of action regarding regional structure and family violence affecting Francophone women in Ontario..... 24,000

Advocates for Community Based Training and Education for Women, Toronto - Enhancing women's participation in the Canadian Economy..... 28,500

Aninshnabequek of the United Indian Councils, Sutton West - The sponsor will complete the preparatory activities of publicity, printing, mailing and coordinators salary for a conference..... 12,598

Atenlos Native Family Violence Services, London - Assoc. of Independent Native Family Violence Agencies of Ont. Conference..... 43,800.

Black Female Sole Parents Community Connectedness Ad Hoc Committee, Hamilton - Action Research & Project Empowering Black Females.55,000

Centre des Ressources Communautaires de Gloucester Comite Reseau, Gloucester -Development of research on violence against women as dictated by the women of the Francophone community..... 14,000

Changing Focus Windsor Inc., Windsor - Produce a broadcast quality video on young women which will explore issues of young women and examine the obstacles facing them today..... 14,000

Chinese Canadian National Council, Toronto - Chinese Youth Leadership Training Camp..... 3,000

Collectif des Femmes Francophones du Nord est Ontarien, Sudbury - Development of a model for community prevention and intervention to deal with the problem of violence against women..... 22,000

Comite des Femmes Francophones du Nord Ouest de l'Ontario, Thunder Bay - Workshops, training of volunteers and formation of a network for women who are victims of violence..... 8,000

Congress of Black Women Kitchener-Waterloo Chapter, Waterloo - Black and Caribbean Women's Economic Development Project..... 18,000

Council of Sikh Women of Metropolitan Toronto, Toronto - Organizational development..... 5,000

Disabled Women's Network Sudbury, Sudbury - Organizational development/workshop..... 4,450

Disabled Women's Network Toronto, Toronto - Organizational development..... 10,000

Family Services of Hamilton Wentworth Inc., Hamilton - Focus on woman abuse, child witness of woman abuse and working against violence.. 5,000

Federation des Femmes Canadiennes Francaises de l'Ontario, Sudbury - Program funding.... 18,900

Habitat Interlude, Kapuskasing - Presentations to reach and inform women and to prevent the progression of the cycle of violence..... 15,000

Homeworkers Assoc. of Toronto, Toronto - Home-

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For Good and Evil

The Impact of Taxes on the Course of Civilization

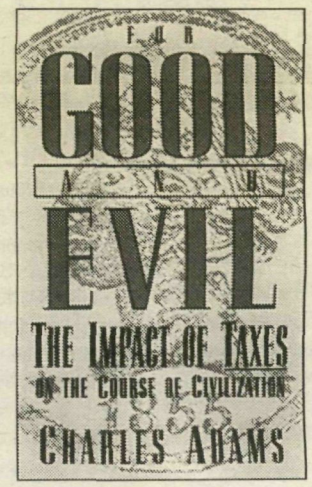
by Charles Adams

But in this world nothing can be said to be certain, except death and taxes.- Benjamin Franklin, 1789.

If anything, this famous quote is an understatement. Since the dawn of history, every known civilization has taxed its citizens. But despite its omnipresence, historians have given taxation scant attention as an important force shaping and directing civilization.

Fortunately, Charles W. Adams' book, *For Good and Evil: The Impact of Taxes on the Course of Civilization,* does much to fill this void. The product of two decades of research, his book spans more than 5,000 years of history — from the tax system of Ancient Egypt to the current debate over the flat income tax.

Do not let the subject matter fool you. Unlike your tax return, Adams' book is anything but dull. Filled with anecdotes, illustrations, and caricatures, the book is a pleasure to read and is every bit as entertaining as it is informative.



The history lessons begins by reminding readers of the basic meaning behind the word "taxation," which means *forced exaction.* A tax is essentially the taking of money or property or services, by government, without paying for it.

This does not mean that taxes are inherently evil or unjust. In fact, the author points out many examples of how prudent taxation has helped build great civilizations. However, taxes are like fire — without proper care and control they can quickly burn down everything they have built.

And Adams certainly leads the reader through many smoldering ruins. The slow decline of Ancient Egypt, the fall of Athens in the Peloponnesian War, the collapse of the Roman and Spanish empires are but a few examples of oppressive or unjust taxation fueling the flames of a state's demise.

The author's examinations lead to the conclusion that would not be unfamiliar to present-day taxpayers: all good tax systems tend to go bad. "Unless restrained by the people in some effective way, governments are unable to live with a good, working, moderate tax system. All governments tend to be spendaholics."

If this addiction goes too far, taxpayers instinctively rebel. The first warning sign is rampant tax evasion and flight to avoid tax. If the tax burden continues to increase, the second phase produces riots which can degenerate to the third phase — violence.

Fortunately, history shows that this progression is *not* inevitable. If a government's appetite is restrained, moderate taxation will lead to greater wealth for government and taxpayers alike. To ensure this, the state's authority to spend must be separated from its authority to tax which should rest in the hands of those who actually pay the bills - the taxpayers.

If it is true that those who cannot learn from history are condemned to relive it, then it is imperative that taxpayers and governments alike pay heed to the lessons Adams has diligently laid out in *For Good and For Evil.*

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workers Leadership Program. 13,000

Huron and Erie Women's Action Coalition, Glencoe - A conference and series of meetings will be held to document/discuss women's training needs. .. 5,100

Immigrant Women's Advocacy and Resource Centre, Hamilton - To carry out a series of workshops on violence against immigrant women..... 18,000

In the Interest of Women, Sault Ste. Marie - Seminars, workshops & presentations on women's issues that will increase women's sense of control & ownership over their lives. 13,050

Justice for Women, Carleton Place - Women in Court: public education and outreach to the community. 10,000

Kitchener Waterloo Business Women in Networking, Waterloo - A study identifying the gaps in entrepreneurial training programs for women. . 12,000

Metro Toronto Coalition for Better Child Care, Toronto - Conduct a one-day workshop relating to Pay Equity, participate in the Service Plan Advisory Committee. 30,720

Mothers Are Women, Ottawa - Develop discussion and stimulate research on the issues of women's unpaid work within MAW, with government and other women's organizations..... 14,218

Native Women's Healing Circles, Peterborough - Host a conference to raise the awareness of Non-Aboriginal service providers to the needs of Aboriginal women in crisis. 7,500

Niagara Centre for Independent Living, Welland - A one day conference to address access and to impact on disabled consumers. 1,500

Niagara Region Action Committee, St. Catherines - Action Against Violence Project..... 13,500

Northwestern Ontario Regional Day Care Committee, Thunder Bay - A series of activities to facilitate northern access to and participation in provincial child care reform initiatives. 22,455

Northwestern Ontario Women in Trades Technology and Operations Network, Kenora - Striving and Thriving '93 - A Conference on Employment and Training..... 10,800

Northwestern Ont. Women's Decade Council, Thunder Bay - Program funding 1993-94..... 73,517

Older Women's Network Ontario, Toronto - To engage in strategic planning, advocacy, outreach and research activities. 26,000

Ont. Association of Interval and Transition Houses, Toronto - Program funding 1993-94..... 48,024

Ont. Coalition for Better Child Care, Toronto - Program funding 1993-94..... 65,385

Ont. Immigrant and Visible Minority Women's Organizations Southwest Chapter, Guelph - Help conduct a series of workshops designed to improve organizational structure and activities..... 6,000

Ottawa and Area Women and Training Group - Ottawa - Forum on training needs for women..... 20,000

Perth County Status of Women Action Group, Stratford - Organizational and advocacy skill development..... 4,000

Renfrew Country Women's Action Committee on Economic Equality, Renfrew - A series of activities regarding training issues for women of Renfrew County. 27,400

Reseau des Femmes du Sud de l'Ontario, Toronto - Program funding 1993-94. 9,000

SIRAA-Social Income Recipients Advisory Assoc., Cambridge - A series of workshops exploring women's health concerns. 9,552

Somaliland Womens' Organization, North York - One-day skills development workshops for board members and volunteers..... 9,000

South Asian Women Entrepreneur Committee, Windsor - Workshops on financial & management issues for women & small business development.... 5,000

Special Women's Alliance to Create Help, Windsor - Document need for long-term shelter/supportive housing for women with disabilities. 6,325

St. Christopher House, Toronto - Elder abuse awareness and prevention project..... 10,000

Sudbury Women's Centre, Sudbury - Produce pamphlets, organize discussion groups, develop support groups, conduct a research study & assist in developing policies in relation to sexual harassment..... 20,000

Table Feministe Francophone de Concertation Provinciale, Ottawa - Establishment of a provincial round table of feminist Francophone women. 25,000

Thunder Bay Immigrant and Visible Minority Women's Organization, Thunder Bay - The planning, organization and follow-up of a district conference for immigrant and visible minority women in Northwestern Ontario. 7,500

Toronto Advisory Committee on Cultural Approaches Against Violence Against Women and Children, Toronto - Family Violence: Alternative Approaches to Community Education..... 9,000

Windsor Women Working with Immigrant Women, Windsor - A series of training workshops held for immigrant women to develop their leadership and facilitation skills. 5,500

Windsor Women's Incentive Centre, Windsor - Teen Moms Return to School - Continuum..... 14,000

Women for Change, Ottawa - Popular theatre and dialogue presented to service providers/institutions by low-income women on issues such as family violence and poverty. 9,000

Women for Social Change, Windsor - Hold facilitator training program for beginning and advanced students..... 16,000

Women in Need Gaining Strength, Kirkland Lake - Address issues of importance to low income women as participants..... 16,998

Women Independently Living with Disabilities, Thunder Bay - Identify barriers to employment and training opportunities for women with disabilities.. . 5,100

Women Plan Toronto, Toronto - Host a series of workshops, complete its volunteer kit, review its organizational structure, and continue to carry out its advocacy and networking activities. 28,000

Women Reforming Social Assistance, Thunder Bay - To plan, organize and follow-up a provincial strategy meeting in Sudbury..... 15,000

Women Rural and Economic Development Coalition, Strafford - Produce a handbook on developing Community Partnerships..... 6,000

Women's Committee of Port Colborne Community Assoc. for Resource Extension, Port Colborne - Workshops and forums to address violence against women. 19,857

Women's Committee on Community Integration and Development, London - Meet with service providers to advocate on behalf of Chinese Canadian women's needs..... 11,000

Women's Committee Thunder Bay and District Labour Council, Thunder Bay - A district conference for union women to address the issues of downsizing, education, retraining and home work. ... 9,000

Women's Place Kenora, Kenora - A conference by and for young women to address issues such as dating violence & sexual harassment 8,000

SASKATCHEWAN

Ad Hoc Women's Committee for Community Consultation, Prince Albert - Community Consultation for Strategic Planning (Family Violence)..... 1,715

Advisory Committee on Mediation and Domestic Abuse, Saskatoon - Mediation and Accountability to Abused Women - review phase..... 12,024

Canadian Alliance for Home Managers Inc., Saskatoon - 1996 Census Brochures. 5,000

Canadian Congress for Learning Opportunities for Women, Saskatoon - Speaking Out - A Portrait of Violence: a one day even focusing on raising public awareness of effects of violence on women. . 2,000

Committee to Investigate Domestic Violence During Pregnancy, Saskatoon - Awareness and Prevention Project. 8,000

Community Women's Theatre, Saskatoon - Womens Theatre Project. 4,000

Disabled Women's Network Saskatchewan Inc., Regina - Membership development. 15,300

Disabled Women's Network Saskatchewan Saskatoon Chapter, Saskatoon - Organizational (membership) Development. 1,996

Elizabeth Fry Society of Saskatchewan Inc., Saskatoon - Organizational development to include issues of aboriginal female offender..... 20,000

Federal Women's Equal Opportunity Committee of Saskatoon, Saskatoon - Federal Women's Symposium '94. 2,150

Immigrant Women of Saskatchewan Inc., Regina: Six activities aimed at strengthening the provincial organization. 35,000

Immigrant Women of Saskatchewan Inc. Regina Chapter - Development of human resources within the community of immigrant woman. 12,000

Immigrant Women of Saskatchewan, Prince Albert - A series of workshops and discussion groups on issues and concerns of immigrant women. 4,132

Immigrant Women of Saskatchewan, Saskatoon - A multi-component project focusing on organizational development. 13,061

Immigrant Women of Saskatchewan, Yorkton - 3 workshops will be held in Yorkton to inform immigrant women about issues that concern them. 4,508

Interagency Council of Survivors' Services, Saskatoon - Public address "From Victim to Survivor: Breaking Silence and the Politics of Women's Health". 1,300

Provincial Assoc. of Transition Houses of Saskatchewan Inc., Saskatoon - A series of activities focusing on education, awareness, advocacy, organizational review, publication of newsletters 36,717

Sask. Action Committee Status of Women, Regina - Program funding 1993-94. 124,920

Sask. Battered Women's Advocacy Network, Saskatoon - Providing public education and training on the issues of wife battering in Sask. 28,800

Sask. Child Care Assoc. Inc., Saskatoon - A project designed to enhance understanding and promote action on childcare issues in Sask. 24,300

Sask. Christian Feminist Network, Edgely - Responses to the women's movement forum... . 2,000

Sask. Women in Trades and Technology, Regina - To launch new educator's package. 2,000

Sask. Women's Agricultural Network Inc., Saskatoon - A series of activities including workshops, conferences, & a newsletter aimed at improving the status of farm women. 27,000

Sask. Women's Institutes, Saskatoon - Networking, Educational Workshop and Organizational Review Project. 3,362

Seniors' University Group Inc., Regina - Production and distribution of a video on older women and poverty. 25,000

Sexual Assault Services of Sask., Saskatoon - Sexual Assault and Survival - Project 1993-94 .. 30,000

South Asian Women's Steering Committee, Saskatoon - Founding convention of the South-Asian women in Sask. 4,000

Spiral Gathering Committee, Regina - Two spiral gatherings to explore issues of healing from sexual abuse. 10,000

Status of Women Committee, Psychological Society of Sask., Saskatoon - Keynote address and luncheon speaker at the Psychological Society of Sask. Conference. 2,200

Street Women's Advocacy Project, Regina - Participatory research to determine the needs of women and girls who work in the sex trade in Regina. 4,935

Task Force on Family Violence, Prince Albert - Elaboration of fin to build women in education networks throughout Saskatchewan. 7,880

Women's Agenda Coalition, Regina - Two-day conference will provide a forum for sharing information & models for change in the status of women. 17,000

Women's Studies Research Unit, Saskatoon - A workshop conference featuring scholars from across Canada dealing with gendered issues of learning and teaching. 3,100

Working for Women of Saskatoon Inc., Saskatoon - Development and piloting of a workshop model to assess self employment suitability for women particularly those with economic disadvantage. . . 2,500

Workplace and Families Conference Working Group, Saskatoon - A conference to address the issue of reconciling paid work and family responsibilities, and developing family-friendly workplace..... 3,000

Young Women's Christian Assoc. of Regina, Regina - Evaluation of YMCA Isobel Johnson Shelter. . 9,000

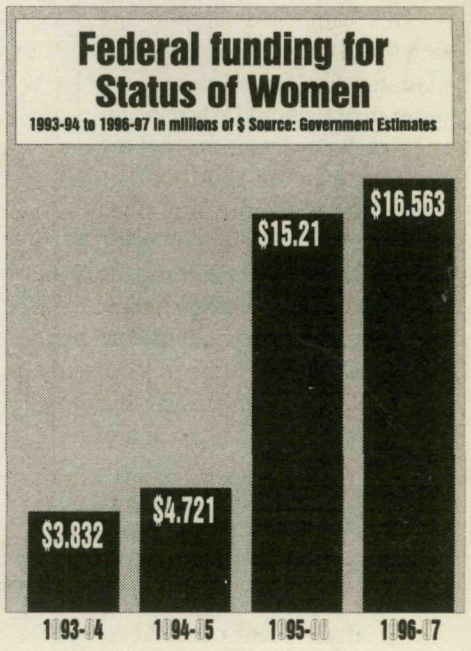
tax-pay-er ling-o

Payroll Tax:
This is a tax imposed upon businesses and employees dedicated for a specific purpose. The Canada Pension Plan, Workers' Compensation, and Unemployment Insurance are examples of payroll taxes that are shared between companies and their workers.

Direct Taxes:
Are paid to the government directly from an individual or corporation. There is no middleman in the process of tax collection. Income tax is a form of direct taxation.

Indirect Taxes:
These taxes are paid by some intermediary in the production process that become incorporated in the final price of the product. The most well known type of an indirect tax is an excise tax.

Excise Tax:
This is a tax on the sale of a particular commodity. Taxes on gasoline, alcoholic beverages, and tobacco are all examples of an excise taxes.



Auditor General's report on peace-keeping funding

by Dean Smith

The UN is running short of cash because a number of nations have not paid their yearly dues. According to Denis Desautels, Canada's Auditor General, as of December 31, 1995, the UN was short $2.3 billion and the two biggest culprits are the U.S., owing $1.2 billion and the Russian Federation with $400 million due.

Although tight on money, the UN is fat on waste. In fact, it's so bad that according to Desautels, Ottawa has been pushing for fiscal reforms for years, without success.

But this hasn't stopped the federal government from paying its yearly pledges to the UN. In fact, in 1996-97 Ottawa will pay approximately $147 million - up nearly 53% from 1991-92 when taxpayers forked over $96 million. This makes the UN one of the fed's fastest growing areas of spending, a disturbing trend in time of fiscal cut backs.



Some countries make a profit on peace keeping while Canada loses hundreds of millions of $ each year.

This happened despite the fact that Ottawa has been complaining for years it's paying more than it should while countries such as Japan are paying less than their fair share. In fact, this is one of the major reasons why the US is withholding its fees. After years of fighting the bureaucratic fortress for change, the Americans have decided to hold back their payment. But not only does Canada pay too much, we often pay ahead of time. In 1993-94, this early payment cost taxpayers an extra $325,000 because of additional interest costs.

Ottawa also helps pay for the UN's international peace-keeping efforts. Again, how much a nation pays is "supposedly" based on its wealth. In 1996-97, Canadian taxpayers will pay approximately $100 million compared to just $32 million in 1991-92. This money is put in a fund from which the UN subsidizes those countries that contribute actual troops, which Canada also does. However, since the UN's repayment scale reflects more of an average for world-wide costs for military spending, it falls far short of meeting Canada's actual obligations, but results in some countries making a tidy profit.

Over the past 12 years, Canada has received $277 million in cash from the UN for sending personnel, while our actual costs run in the billions. For example, in 1995-96, DND paid $871 million* for peace-keeping troops including salaries and other expenses.

In addition, the UN still owes Canada $92 million for peace-keeping. Part of this includes the sale of 51 vehicles to the UN for $232,000. Apparently, the bill was lost. The UN also owes Canada $17 million for its involvement in Cyprus. Unfortunately, this bill is paid out of an account into which countries make voluntary contributions, and nobody is volunteering to pay Canada's bill. When it was suggested that Ottawa deduct this unpaid amount from its yearly fees, Department officials said "no." No reason was given.

Desautels' report also revealed that DND under-calculated how much the UN owed Canada last year by $36 million. There was no indication if DND was even going to make a claim for this money. Finally, DND has yet to turn in its bill for disability and death benefits for Canadians hurt or killed while involved in peace-keeping activities. In 1991, DND officials told the Auditor this would involve millions of dollars, but as of 1995, they still hadn't submitted the bill.

These costs only reflect part of Canada's commitment to the UN. Other departments also provide assistance including CIDA, the RCMP who recently sent 100 officers to Haiti, Elections Canada and Revenue Canada. Our UN commitment involves a considerable amount of money, and the federal government must give it the scrutiny it deserves. ■

* Part of this figure includes our NATO involvement for which Canada receives no compensation.



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The Canadian Taxpayers Federation is now offering hats, decals, T-shirts and golf shirts proudly displaying the CTF logo for all those supporters interested in expressing their opinion on excessive taxes and out-of-control government spending. All profits go to support the activities of the Canadian Taxpayers Federation & its provincial affiliates.

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